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Retail Produce Profile: Bloom • **Mushroom Sales** • *Regional Profile: Twin Cities* • Potatoes On The Menu • **Dates & Figs** • Floral Refrigeration

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PRODUCE QUIZ



THIS MONTH'S WINNER:

Matt Reel
Sales Manager
Seald Sweet International
Vero Beach, FL

When you're in the produce industry, you have to work around Mother Nature's schedule, but it is the unpredictability that appeals most to Matt Reel, sales manager for Seald Sweet International, a global citrus supplier based in Vero Beach, FL. "It can be a big challenge," Reel says. "Every day it changes, but it's always interesting."

In recent years, he has observed produce, particularly citrus, becoming more of a year-round commodity. "You used to never see it during the June, July and August months," he says. "This has allowed us to become more diversified."

Reel, who oversees Seald Sweet's sales and marketing team, has read PRODUCE BUSINESS for the past few years to stay up-to-date with the latest trends in the citrus industry. "It gives good insight on how industry leaders are progressing," he explains.

As the winner of the PRODUCE BUSINESS Quiz, he wins a portable hammock.

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To win the PRODUCE BUSINESS Quiz, the first thing you have to do is enter. The rules are simple: Read through the articles and advertisements in this issue to find the answers. Fill in the blanks corresponding to the questions below, and either cut along the dotted line or photocopy the page, and send your answers along with a business card or company letterhead to the address listed on the coupon. The winner will be chosen by drawing from the responses received before the publication of our October issue of PRODUCE BUSINESS. The winner must agree to submit a color photo to be published in that issue.

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2) Which company will be promoting Bananimals™ and Pineanimals™ this fall? _____

_____

3) What is the brand name for Curry & Company's sweet onions? _____

_____

4) What is the website address for Red Blossom? _____

_____

5) J&J Distributing has been "The Solution" since what year? _____

6) What is the slogan for L&M? _____

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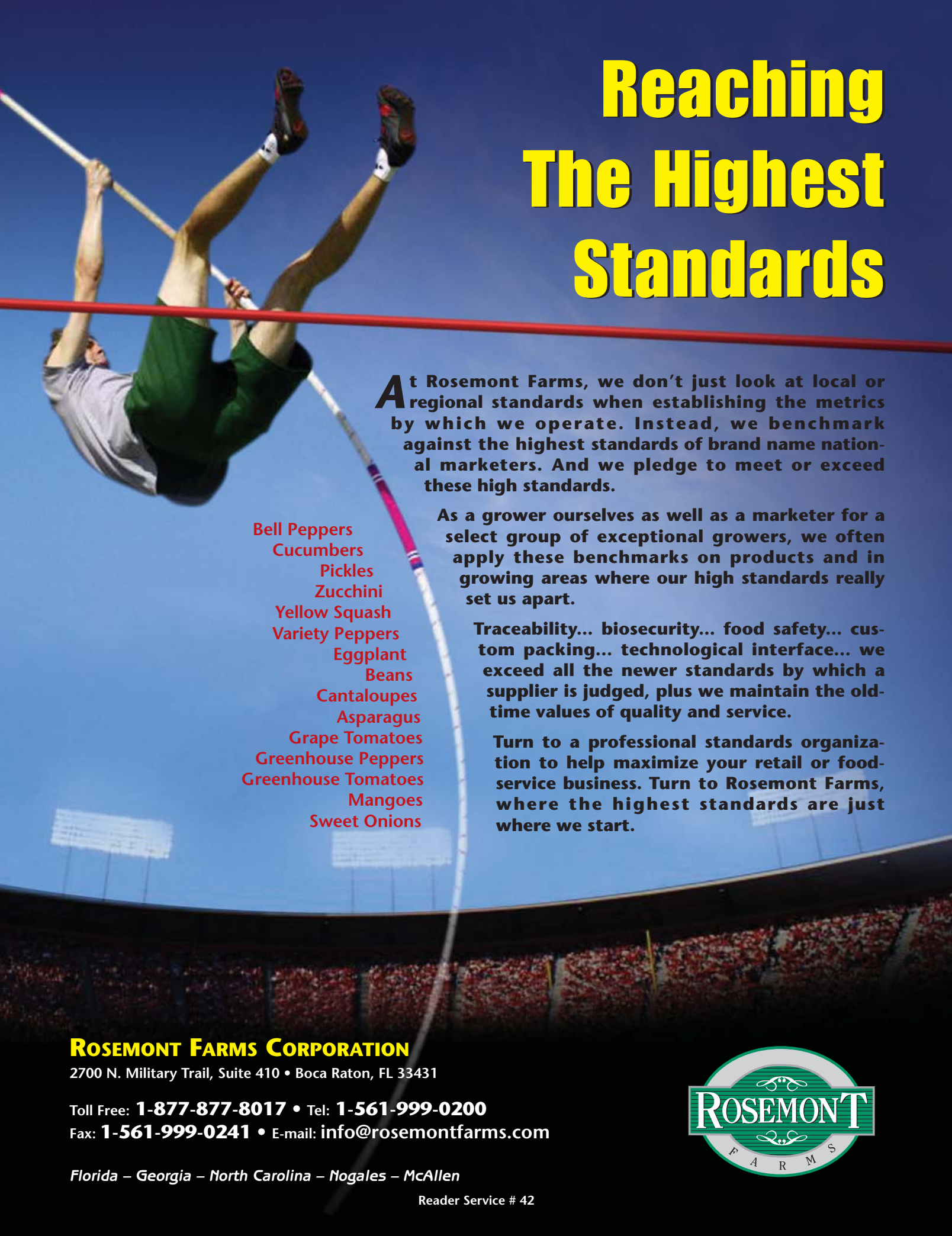
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Reader Service # 42



WASHINGTON GRAPEVINE

A report on the inside happenings of government.

SUBMITTED BY AMY PHILPOTT, VICE PRESIDENT MARKETING & INDUSTRY RELATIONS • UNITED FRESH PRODUCE ASSOCIATION

United Fresh PRODUCE ASSOCIATION

The Changing Faces of Grassroots Advocacy

And now, from the makers of MySpace and producer Mark Burnett (drum roll, please)…a reality TV show called *Independent* is scheduled to debut in early 2008. Its intent is to be the first TV show focused on discovering the politician whom the viewers feel best represents the voice of young Americans…

And don't you know current politicians and presidential candidates will be watching!

Just a few months ago, the first legislative and regulatory "wiki" [a collaborative website that can be directly edited by anyone with access], Washington Watches Agriculture (WWA), was founded as a user-written log of congressional bills and their pros and cons (from the writers' points of view, anyway)…

And don't you know, the politicians are reading it!

In fact, the National Cattlemen's Association has staked its claim on WWA by posting in favor of The Competitive and Fair Agricultural Markets Act of 2007, H.R. 2135. In addition, FarmPolicyFacts.org, a coalition of farm organizations, recently posted a wiki edit in favor of H.R. 2419, The Farm Bill Extension Act of 2007.

These are just some examples of the changing face of grassroots advocacy. Together, communication vehicles such as blogs, RSS feeds, wikis, YouTube, MySpace, Facebook and Second Life (collectively known as Web 2.0) are launching a new era in grassroots advocacy. How? By providing a readily available platform for virtually every individual to speak out; there is no gatekeeper and it is very hard for politicians to ignore these constituents if they generate a following, no matter how outrageous their claims may be. These new communication formats are windows into the next generation of grassroots advocacy and issue communication tools, and they should be a growing part of the industry's public policy weaponry. And this is why…

Back in the good ol' days, when being informed was a matter of simply reading the morning paper and watching the evening news, grassroots advocacy efforts were largely driven by opinion leaders who got much of their information from trade associations, personal experience and traditional mass-media outlets, which are arguably held to a code of journalism that includes the responsibility to check facts. These industry members, congressional delegates and other opinion leaders would then disseminate information to others.

Of all the changing faces of grassroots advocacy, yours is still the most powerful.

Today, however, given the wide range of online communication vehicles, everyone has the potential to be an opinion leader and the center of their own grassroots campaign. As a result, we all have more potential than ever to influence public policy.

Take the former insurance salesman, now defense industry programmer turned blogger in Manassas, VA, who has made claims that illegal immigrant ice cream venders were spreading leprosy and that the county has been infiltrated by "unassimilated Marxist radicals." One could dismiss this as yellow journalism and simply ignore it, except that through this same blog, he has signed up more than 500 members for his anti-illegal immigrant organization, Help Save Manassas. The group helped write parts of the illegal-immigration resolution that county officials unanimously adopted in July.

You may think this is an extreme case, but there are other examples of public policy issues being vetted and influenced via these public forums. When you type "immigration reform" into YouTube, 617 results pop up; on virtual life sites such as Second Life, political policies are debated and elections are won and lost over popular issues.

Those of us in advocacy, issue communications and public policy have searched tirelessly for the messages that will inspire members, voters and the public to use their political voice and become political activists about our issues. Well, here it is: All we ever had to do is make it entertaining, or rather, make it entertainment.

Just in the past year, we've seen these forums affect Congress' sense of urgency on things like food safety legislation, immigration reform and COOL. Their cumulative power is hard to ignore, and over time and if not countered, they can take on the presumed voice of the people. And the best way to counter this chatter is to actually talk to your congressional delegates about the public policy issues that mean the most to you and to the industry.

The personal visit is still the most powerful advocacy tool. All the technology and all the new communication formats simply cannot replace a visit to your congressman. So blog away, update your MySpace account and vote for your favorite candidate on next year's reality TV show, but above all, visit your congressional delegates! Of all the changing faces of grassroots advocacy, yours is still the most powerful.



JIM PREVOR'S

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By James Prevor
President & Editor-in-Chief



The Power Of Independents

For independent retailing, it is the best of times and the worst of times. In a sense, following 15 years during which Wal-Mart rolled its supercenter concept across America, crushing independents everywhere it went, all the independents standing today in America can throw a party — they are the survivors. Through the blessings of geography or the skill of their executives, they are still here.

And after a long hiatus, we are starting to hear about many independents opening new stores and doing remodels.

At the same time, many independents are horribly backward. They can't raise or won't spend the money needed to update their stores. They are not organized with enough managerial depth to grow, and technologically they hesitate to entrust their own department managers with Internet access — thus relegating ordering to hours on the old-fashioned telephone.

Although the industry has a range of wholesalers ready, willing and able to supply them, many independents are unwilling to commit to their suppliers and, instead, drop their regular vendors in a New York minute to grab a cheaper bid. What these opportunistic customers don't realize is that irregular and unpredictable orders add costs to the system, and seizing these "bargains" probably raises their costs all year long.

The broader produce industry needs to pay more attention to independents. The world of independent retailing is a complicated one, and its very complexity has caused grower-shippers to neglect it. How much easier for a commodity promotion group to walk into a big chain and propose a promotion than to reach out to a multitude of different format stores from a rural IGA to a dedicated produce shop in Manhattan, from ethnic markets to a high volume Shoprite in New Jersey.

And how important it is for the broader industry to reach out. With food safety everyone's priority, it has to be recognized that when an independent chooses to buy "outside the system" of its normal wholesaling supply chain, it may be getting substantively different product. Product that has not been vetted in the same way for the attributes of food safety.

The whole industry needs to focus on this issue because this complicated distinction — of an independent, perhaps with a franchised or licensed brand, electing to go outside of the system and buying from a guy who shows up with a truck of produce from who knows where — is bound to be lost on consumers during the next food safety outbreak.

On the whole, though, the prospects for independent retailing are bright because retailing as a whole is switching focus. The old category management methods were focused on product — how, by eliminating one variety and adding another, we could increase total sales and profits in each category.

Now, however, the focus is shifting to understanding not just what customers buy but why they buy what they do.

Much of this is data-driven — looking at the point-of-sale system and trying to see whether the consumer is just buying an apple or is the consumer buying an apple, butter, cinnamon and a baking tray to make baked apples?

What motivates the shoppers to walk in the door? Do they have a mission because they are having a "healthy snack attack"? Knowing these things affects assortment and merchandising and, properly understood, the strategic direction of the store.

Imagine a retailer who notes a sizeable business in people searching for items for their pets and sets out to delight them by creating the only place people on a pet-focused mission want to go. The retailer reaches out to every department. What does your produce department do to delight customers looking for veggies for pet rabbits?

The prospects for independent retailing are bright because retailing as a whole is switching focus.

Then, after the consumers are drawn in based on these specific shopping experiences, the key is to blow them away with over-the-top merchandising that isn't just pretty but evokes a response on a key functional area valued by your consumers.

Maybe the display focuses on healthy or, perhaps, on family-friendly or self-indulgent. Whatever the specifics, the idea is simple. Offer a store that delights on a few key experiences, then use effective merchandising to entice the consumers into a world — and a set of purchases — they had not realized they wanted.

This new way of thinking about the consumers is what independents will need to fight off the challenge of Wal-Mart and now, Tesco, with its new operation in the U.S.

It is almost as if the Number One and the Number Three retailers in the world have inadvertently conspired to destroy the conventional supermarket.

After all, if Wal-Mart, perhaps along with warehouse clubs, is the place consumers will go twice a month to get their deeply discounted consumer packaged goods, and if Tesco's Fresh & Easy Neighborhood Market is the place consumers will go two or three times a week for fresh foods, when, exactly, are consumers supposed to go to the supermarket?

The big chains realize the threat, and they will "data mine" to be on top of it. But the one area independent retailers are always best is in knowing their customers.

Tesco made a big show of sending executives from the U.K. to live with Americans, much as one would study a newly discovered aboriginal tribe. All this was to help them understand the customer.

They have the right idea, but independents get to skip the process; they live with their customers every day and, often, have for generations. This is a powerful weapon and bodes well for the future. The broader produce industry should try to harness its power to boost produce sales. **pb**

How Does $45 Billion Sound?



That's the value of the U.S. spend for sweet snacks in 2005. Between 2000 and 2005 the market grew by 15 percent, yet growth for the next five years is forecast at just over 4 percent.*

"The fact consumers no longer define 'snack' with such strong reference to chocolate, sweets and crisps is one factor shaping the future of the snacking industry. Traditional impulse categories such as confectionary and savory snacks are under increasing threat from new product formats—especially those consumers consider to be more nutritious."

Daniel Bone, consumer market analyst, Datamonitor

$45 billion? Sounds good to us. Call Mann today and inquire about our new Healthy Snacks on the Go! Together we can provide consumers with the healthy snacking solutions they're looking for.

*Datamonitor: Profiting from Changing Snacking and Beverage Occasions







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Reader Service # 1

PRODUCE WATCH

TRANSITIONS

RJO PRODUCE, FRESNO, CA



Scott Zeier has been hired as vice president of retail service programs. His duties will include administering RJO's retail service programs, including category management services, merchandising programs and coordination of plans between retailers and growers. The former vice president of perishables for Fresh Brands has a 30-year background in produce merchandising.

KEY TECHNOLOGY, WALLA WALLA, WA



James Ruff was promoted to vice president of research and development. He previously worked as the managing director of Key Technology BV, the company's European operation. His duties include implementing programs that develop and acquire new technologies within the food and pharmaceutical manufacturing industries.

BALLANTINE PRODUCE COMPANY, REEDLEY, CA



Rick Eastes was hired as director of special projects. A fresh produce industry veteran with experience in the supply and marketing of table grapes, he previously worked for Sunkist Growers, Inc. His initial duties will include driving the launch of Ballantine's "Grower's Table" concept and brand in table grapes in its California production.

MAUI PINEAPPLE COMPANY, LTD, WEST MAUI, HA



Aaron Nakamura has been hired as a territory sales manager. He will be responsible for managing Hawaii sales and expanding the fresh retail and foodservice pineapple products. Nakamura has a strong background in sales management, produce manufacturing, product distribution and merchandising.

INTERFRESH, INC., FULLERTON, CA



Mary Tinkham has been hired as chief financial officer. Her duties will include using her management experience and related skills to guide Interfresh as it continues to expand and further develop its product lines and services. Tinkham's extensive background in financial, accounting and management includes work for Taormina Industries and Disney.

PROGRESO PRODUCE, BOERNE, TX



Sandy Watts was hired as general manager. His 25-year background in the produce industry includes experience working with citrus, melons and Mexican imports in Florida and Texas. Watts will be responsible for leading and challenging the company as it enters its 25th year in business.

EARTHBOUND FARM, SAN JUAN BAUTISTA, CA



Daniel Alonzo has been promoted to sales manager for foodservice sales. He previously served as a senior sales associate. Alonzo joined the company three years ago after graduating from Cal Poly, San Luis Obispo. During his undergraduate career, he interned for one summer in Earthbound Farm's Quality Assurance department.



Kyle Truesdell has been promoted to sales manager for retail sales. He previously served as a senior sales associate. His new duties will include selling the company's products to retail accounts in the Midwest. Truesdell joined the company in 2005 after graduating from Cal Poly, San Luis Obispo.

MONTEREY MUSHROOMS, WATSONVILLE, CA



Reuben Rischall was hired as the company's Midwest Region sales manager. His duties include managing fresh mushroom sales with customers in Wisconsin, Illinois, Indiana, and Minnesota. He formerly worked as a produce broker for the Ruby Robinson Company, Inc.

PEAR BUREAU NORTHWEST, PORTLAND, OR



Marlin Engelking was hired as a marketing manager. His territory will include Washington, Oregon, Idaho, Montana, Wyoming, Utah and Alaska, and Canada's British Columbia, Alberta and Saskatchewan territories. He formerly served as the national produce and floral category manager for Wild Oats Markets.

NEW PRODUCTS

Kid-Focused Croutons



Fresh Gourmet, Los Angeles, CA, introduced Tiny Bites Cheesy Croutons, the first crouton targeted especially toward children. The crouton launch coincides with the Walt Disney Company's release of the 40th Anniversary DVD of *The Jungle Book,* which is set for Oct. 2. The new croutons will include a cross-promotional on-pack $3 rebate for the DVD.

Reader Service No. 300

Baby Iceberg Lettuce



Steinbeck Country Produce, Salinas, CA, added baby iceberg lettuce to its full line of vegetables. The company encourages retailers to display the baby iceberg lettuce in their produce departments' value-added section or next to other salad ingredient vegetables. The baby iceberg lettuce will be grown year-round in Salinas and Yuma, CA.

Reader Service No. 301

Off-Line Bag Printing Systems



Norwood Marking Systems, Downers Grove, IL, and Allen Coding Systems, Hertfordshire, England, have introduced a group of integrated off-line bag printing systems. The systems can print on plastic, paper and aluminum bags, and are ideal for a wide range of applications, such as foods packed in bulk bags.

Reader Service No. 302

New Veggie Dips



Old Home Foods, St. Paul, MN, has expanded its product line into the produce department with its launch of Old Home Veggie Dips. The new product is available in six flavors: ranch, dill, garden onion, southwestern, light ranch and light dill.

Reader Service No. 303

Produce Watch is a regular feature of Produce Business. Please send information on new products, personnel changes, industry, corporate and personal milestones and available literature, along with a color photo, slide or transparency to: Managing Editor, Produce Business, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail us at ProduceBusiness@phoenixmedianet.com

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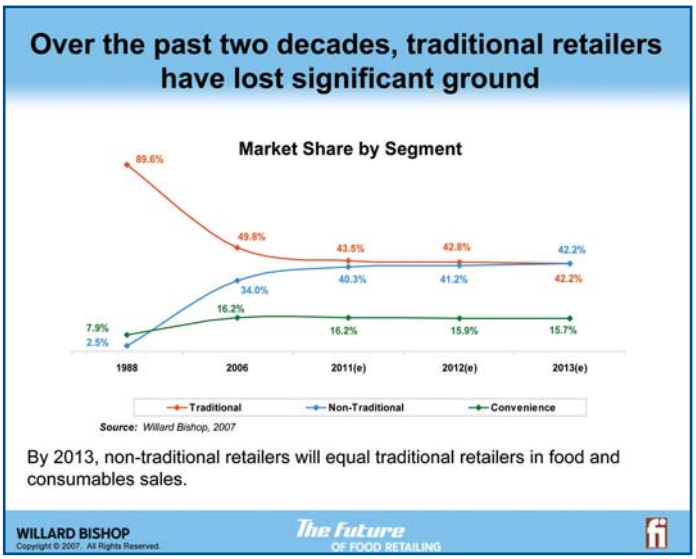
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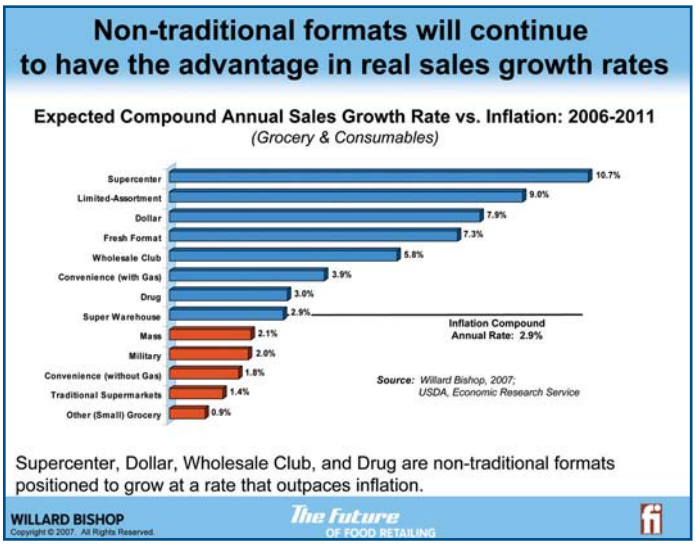
Food Institute/Willard Bishop Webinar Provides Insights For Perishables Retailing



From Jim Prevor's *Perishable Pundit*, July 3, 2007

Willard Bishop Consulting [based in Barrington, IL] reviewed the new version of its annual report on food retailing and provided an opportunity to register for a webinar offered jointly with The Food Institute. The webinar was held and revealed many interesting facts. Perhaps most graphically striking were these two slides:





The top slide shows how rapidly the business has been changing. The red line represents traditional retail sales, which includes regular supermarkets, so called "fresh stores" such as Whole Foods, limited assortment stores such as Aldi, Sav-a-Lot and Trader Joe's, super warehouse stores such as Cub Foods and Smart & Final, and small corner grocery stores.

As late as 1988, these were the food retailing industry, accounting for almost 90 percent of sales. Despite a very generous definition of "traditional," by 2013 traditional retailing will be equaled by non-traditional food retailers:

Perhaps more important for the perishables industry is to look at the formats Willard Bishop projects are the winners over the next five years (bottom slide).

Many of these "traditional" retailers are fairly untraditional — as selling to Aldi and Smart & Final and even Whole Foods often requires a different approach than selling to conventional supermarkets

One of the most common mistakes in marketing is to let customers choose the supplier. A better strategy is for vendors to identify customers that will grow and try to affiliate with them so as to ride their star.

So Willard Bishop is telling us the growth in sales of food, in excess of inflation, will be in super centers, in limited assortment (Aldi et al), dollar stores, fresh formats, wholesale clubs, drug stores and super warehouse stores. Which means vendors should have strategies for accessing these formats.

Lots of insights were in this webinar, including generally excellent opportunities for perishables and many opportunities for private label.

FOOD FOR THOUGHT:

- Web grocers are growing again
- Tesco's new warehouse is far too large for the store openings it has announced
- The most valuable thing a supplier can bring a retailer: intellectual property
- Did you know that 40 percent of U.S. households have a Kroger loyalty card?

You can view or download a copy of the presentation given at the webinar on *www.perishablepundit.com*.

For additional information, you can review previous Pundit articles, including an interview with Willard Bishop Consulting's Bill Bishop, a separate interview with Information Resources' Thom Blischok and a joint interview with FreshLook's Mark Degner and IRI's June Fenzel by simply using our search button.

Many thanks to The Food Institute and Willard Bishop for sharing this important information with the trade.

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Reader Service # 54

Flower Power, by George!

I am a big believer in the power of fresh flowers. Being married to a woman who loves color and beauty, I've made it a practice to bestow flowers on my bride for any or sometimes no reason other than to brighten up our surroundings. In years past, flowers even provided a peace offering to get me out of trouble (luckily infrequently!).

When she worked as a school librarian, I got great pleasure sending Bonnie flowers at school so everyone could enjoy them. The kids loved to see what colorful arrangement would appear next on the library counter. Spouses of her colleagues would tell me I was making their lives tougher by raising the bar of expectations!

I'm democratic about where I buy flowers. When I want a formal arrangement made up and delivered, I order from the local florist for local needs or an 800 or online service for long distance. Hotel concierges love to help arrange surprise greetings. I've also picked up an attractive bunch that catches my eye while grocery shopping to simply brighten up our home.

According to Produce Marketing Association's (PMA) latest consumer research, my buying habits, though likely much more frequent than average, are fairly representative of most floral consumers — and that suggests opportunities for floral marketers at supermarkets and club stores to expand their business.

Our latest telephone survey of 1,000 primary shoppers explored perceptions about floral purchases from traditional florists, supermarkets and other mass retail outlets such as club stores. Opinion Dynamics Corporation conducted the survey in late May.

The consumers we surveyed told us they are just about as likely to buy flowers from a supermarket as from a florist. Thirty-eight percent buy flowers from supermarkets, 34 percent from local florists, 4 percent from online florists and 5 percent from club stores; 7 percent shop a mix of all these venues.

Purchasers of flowers from supermarkets and other retail outlets tend to be frequent as well as impulse buyers. Twenty-two percent of respondents buy flowers from such outlets at least once a month and 36 percent once every three months. Of these frequent purchasers, 29 percent buy their flowers at supermarkets at least once a month.

Of the surveyed consumers who buy flowers at supermarkets or club stores, 61 percent report spur-of-the-moment purchases — they see a beautiful bunch of flowers and buy it on the spot. They are also frequent purchasers; 37 percent make these unplanned purchases once a month or more, and 35 percent about once every three months.

That supermarket and club store flower customers are both frequent and impulse purchasers is good news for mass market retailers and suggests the low-hanging sales fruit lies in expanding those impulse purchases.

However, these retailers also have two very large hurdles in consumer perception to overcome, according to our survey.

First, there is a clear distinction in surveyed consumers' minds regarding the freshness of flowers from florists versus supermarkets. Forty-five percent stated they are "very satisfied" with the freshness of florists' flowers, almost double those who reported they are very satisfied with the freshness of flowers they buy from supermarkets (26 percent).

In addition to this perceived freshness gap, our data indicate that when buying flowers for special occasions, consumers also draw a clear distinction between florists and supermarkets or club stores. For the traditional flower-giving occasions — anniversaries, gifts, get well, congratulations and other general occasions — our surveyed consumers prefer to buy flowers from florists for five of eight occasions. Supermarkets and club stores, on the other hand, are the preferred sources for flowers that will be enjoyed at home, at work and on more casual occasions.

There are a number of ways supermarket retailers can address consumers' perceptions in order to boost their image and encourage more sales. Starting with the basics, in-store and on-pack signage can offer tips to consumers on how to maximize the life span of their impulse-purchase flowers once they get them home — while simultaneously communicating retailers' commitment to freshness and quality. Bundling flower-food packets with every sale can extend flower life, too.

Consumers... are just about as likely to buy flowers from a supermarket as they are from a florist.

Borrowing a page from coffee marketers, frequent flower shopper cards could award a free bouquet after a certain number of purchases. Retailers can also examine opportunities to expand their special occasion arrangements business if their business model can support it.

And, of course, associate training is vital to ensure flowers are properly handled before the sale and to enhance customer service. PMA's floral program staff and council are working to offer research, products and services to help retailers expand floral operations.

How important is the presence of expert floral staff in a supermarket? Well, I used to order wonderful custom arrangements from our local supermarket because of George, the brilliant arranger who managed the floral department. George retired and his replacement lacks flair and personality. Now I get custom arrangements elsewhere. Yes, this is what's known in research as a "one-rat study" — with me being the "rat" — but the dollars switched are not insignificant and this tale is probably not unique.

This latest survey lays out opportunities to expand retail floral sales. When consumers carry more colorful flowers out of the store more often, it means more green in floral department cash registers — and rosier reports of customer satisfaction like mine because of folks like George.

A Store's Secret Weapon

Consumer research on floral is a perilous endeavor, and we have to thank the PMA for being brave enough to jump right in and start generating some numbers.

The difficulty is that the word "floral" covers two distinct functional categories and rarely do the twain meet. It takes an attentive ear to be certain consumers are talking about the same thing the researcher is talking about.

By far the largest floral business in America is funerals — roughly half of all flowers sold in America are for funerals. Weddings follow next. Add in christenings, bar mitzvahs, hospital flowers — and few and far between are the mass-market outlets that get much of this "special occasion" business.

So when consumers say they are "just about as likely" to buy flowers from a supermarket as a florist, they actually mean "except for when we are buying flowers for funerals, weddings and other occasions, which is when we spend the bulk of the money we actually spend on flowers."

Most mass marketers know special occasion flowers are not their game. There are exceptions, particularly in rural areas where a supermarket floral shop may be the only floral shop. In this case, it can behoove executives to invest money in hiring great designers, buying delivery vans and, in general, operating a full florist shop that happens to be inside a supermarket or other mass-market outlet.

The need for highly skilled employees, the liability issue of delivery vans, the possibility of alienating a family because the bridal bouquet wasn't just right and thus losing the family as food customers — all this adds up to the decision that a full service floral shop, capable of handling a lifetime of floral needs, just isn't the business of a mass merchandiser.

On the other hand, heavy traffic already streaming through and frequent shoppers needing to replenish perishables make for the perfect opportunity to sell to impulse buyers and those who regularly buy flowers to beautify their homes.

Even here the exigencies of square footage and commitment mean mass marketers will offer consumers a varied face. Sometimes it is only pre-made bouquets, sometimes a display case with bouquets and arrangements, sometimes a design staff keeping things interesting and producing assortments.

There are, of course, plants, balloons and ancillary items, and even a small floral department may get beefed up for Christmas and other key floral holidays.

Floral can be tough to manage, especially if a store is trying to offer a full-service shop. Bryan's story about George is to the point. Note Bryan didn't say George's replacement was incompetent and rude, just lacking in "flair and personality." How is a chain with a few thousand stores going to consistently have floral designers with pizzazz? How many produce managers have pizzazz? It could be said that the whole raison d'être of mass merchandisers is to enable non-specialists to offer acceptable products.

A retailer sometimes gets lucky and a George comes to work. Mostly, though, floral training is needed not to turn every floral employee into the "Floral Designer of the Month" but to teach care and handling basics.

Some tips on boosting floral sales in mass-market stores:

1. Don't hide the department. It is shocking how many retailers go into floral because they want the impulse sale and then find some out-of-the-way nook for the floral counter. Floral displays must be in the mainstream of the traffic flow. Typically, ethylene issues mean the produce department is not the best place for floral.

2. Cross-merchandise. Wine and flowers. Fine cheeses and flowers. Picking up prepared foods for dinner? Flowers are perfect. The hassled mom buying disposable diapers and baby food — she needs a bouquet as well.

3. Increase your shrink. Flowers hidden behind glass doors may keep better, but you don't want to keep them — you want to sell them. Impulse purchases — remember Bryan's 61 percent of spur-of-the-moment purchases — require flowers out and available.

4. Capitalize on late night and weekend hours. Even customers who might prefer to buy at a florist may turn to a mass-market outlet when florists are closed. What an opportunity! Pick up a sale now and, possibly, win a customer for life. Unfortunately, many a floral operation is allowed to "run down" at night, and its appearance can convince the late-night guy he was right to want a florist shop. We have to do better here.

Seven ways to boost floral sales in mass-market stores.

5. It shouldn't scream supermarket bouquet. It is too easy to identify a "supermarket bouquet" and, as such, it comes across as a last-minute purchase. We need to look at our wraps, hang tags, even where we put price tags to make sure our bouquets look like an improvisation by the buyer.

6. Variety and change make flowers sell. Research shows a display of roses will not sell as many roses as a display of roses and 10 different flowers. Change and variety keep interest up and attract consumers to a beautiful, fragrant display. This is not soup — you can't offer the same variety every day.

7. Get in sync with the store. Does your store sell lots of organics? If a big chunk of those consumers are concerned with the environmental impact of synthetic chemicals, the justification for buying organically grown flowers is ready made. Add to this the "locally grown" issue and the fact that while most cut flowers sold in America are imported, most organically grown flowers sold are domestic — and you see the market has real potential.

Floral is really a store's "secret weapon." While it produces sales and profits, if properly merchandised, it also decorates the store and adds fragrance. That alone makes it a department worth growing and the floral consumer, a customer worth knowing.

The Challenge Of Independence

Quality, service and commitment — the simple components of a complex business



PRODUCE BUSINESS asked successful independents around the country to talk frankly about what strategies have brought them to where they are today, addressing the challenges of how they differentiate themselves in their markets, how they deal with procurement, how they define competition and what really moves them forward day by day.

Participants: Carmine Giardini, **Carmine's Gourmet Market,** 1 store, Palm Beach Gardens, FL; José Manzano, **Dorothy Lane Markets,** 3 stores, Dayton, OH; Victor Wong and Mike Milazo, **Howie's Ranch Market,** 1 store, San Gabriel, CA; Jim Bonaminio and Dave Brossart, **Jungle Jim's International Market,** 1 store, Fairfield, OH; Bryan Sussman, **King's Gourmet Market,** 1 store, Boca Raton, FL; Chuck O'Brien, **O'Brien's Market,** 3 stores, Modesto, CA; Vince Mastromauro, **Sunset Food Mart,** 4 stores, Highland Park, IL; Mark Anusbigian, **Westborn Fruit Market,** 3 stores, Dearborn, MI; Scott Wilson, **Wilson Farms,** 1 store, Lexington, MA

By Meredith Auerbach

Good news, bad news. That is the well-known phrase summing up the status of independent retailers in the competitive marketplace of the 21st century. Consolidation of retail chains and the impact of big-box stores and clubs tend to dominate the landscape in most markets.

But in many sections of the nation, stalwart independents, here defined as having five or fewer stores, are managing to survive — no, thrive — in ways that offer lessons to all. It is less about what they do than how they go about doing it.

The good news — it can be done even today. The bad news — it is far from easy and takes a massive level of commitment.

With comments often in the same vein, the owners and managers PRODUCE BUSINESS spoke with look at life and business with open optimism and express confidence about the future. They identified the five facts of successful independent retail life:

1. Many owners and operators started many years ago and have had time to define a concept, develop and maintain relationships with customers and with domestic and international vendors, create an effective culture that appeals to both customers and staff, and establish a place of value in their communities.

2. Service is more important than price in developing customer loyalty and is a critical component of value. By and large, an upscale positioning helps smaller operators.

3. They understand the need for committed and knowledgeable staff that enjoys what they do and "owns" their jobs.

4. Outstanding quality of product and shopping experience every day is fundamental to success.

5. Without 100 percent commitment from owner and management, none of the rest is likely to occur.

These operations have stood the test of time. Jungle Jim's, Wilson Farms and Howie's each started as produce stands more than 50 years ago. The rest have between 30 and 70 years experience in their current operations.

According to Howie's Mike Milazo, "We started store operations in San Gabriel, CA, in 1960. By now we own the building and we have low overhead expense compared to many of our competitors. It means we can upgrade product and sell it at a lower price than much of our competition."

SERVICE, QUALITY AND RELATIONSHIPS

Each operation is unique to its marketplace. The owners, managers and employees think constantly about what makes them different and memorable to area consumers.

Bryan Sussman, one of three owners of King's Gourmet Market, Boca Raton, FL, describes the store



Reader Service # 47

Communicating With Customers

Every minute in every store is full of messages, good or bad, to customers. Great product information — good. An unanswered question — bad. Managers and employees who take requests and follow up — really good. A promise made in an ad or newsletter and broken in person — really, really bad.

Each of these independents utilizes an array of communication tools that seems appropriate to its audience.

Wilson Farms, Lexington, MA, is a big user of all media — advertising, direct mail, radio, TV, Web site and e-mail.

King's Gourmet Market, Boca Raton, FL, depends on its close day-to-day contact in a small community to keep the message alive and well.

Dorothy Lane Markets, Dayton, OH, direct mails a monthly market report to its loyal customer base and offers a loyalty card that operates at four different levels based on spending patterns. The higher the level, the better the benefits, mostly in the form of monthly coupons.

Others depend more on community presence and word of mouth — perhaps the strongest form of communication and endorsement. Most have made good use of Web sites that show the style and culture of the stores. Newcomers can gain a sense of what these stores are before ever entering one. In-store ads and informational signage depicting source or origin, nutrition and keys to flavor, use or storage reinforce the service message. **pb**

as a traditional design that just kept growing and expanding. "We look like an indoor farmers' market and have about 30 percent of our total 13,000-square-foot space devoted to produce. If you were starting from scratch, you wouldn't design a store this way, but our customers and employees are comfortable with the layout and notice even small changes.

"Familiarity is important and we've created a comfort zone with fresh fish, prime meat and a produce department that offers perhaps 10 varieties of peaches, eight different apples and up to 10 different peppers," he continues. "We use distributors but we inspect every item at store level. We'd rather go without if the product is not right for our customers."

At the other end of the scale, Jungle Jim's, Fairfield, OH, weighs in at a massive 280,000 square feet, also the result of growth, bit by bit and department by department. "We're a destination store about 30 miles north of Cincinnati and people come for the value but also for the upscale experience," says Dave Brossart, produce general manager. More than 50 percent of sales are impulse and people are willing to make that drive to try out all the departments the store offers.

According to owner Jim Bonaminio, "It takes a couple visits to get the layout. We've created country sections — Asian, Italian, Mexican, British, Scandinavian — because we are very value oriented and all about entertainment."

Quite an unusual style of business is evident at Howie's Ranch Market, San Gabriel, CA. A grocery store has existed on the site since 1930. In 1960 three Howie brothers took over the site and named it Howie's Ranch Market. They owned the grocery and produce departments but the meat department and bakery were separate businesses. With somewhat different owners, that situation is the same today — three small businesses operate independently under the same roof but share expenses. The store has seen three generations of customers pass through its doors.

"I can speak primarily for the meat section but I know it's true for produce, grocery and bakery as well" explains Mike Milazo, owner of the meat department, called Alexander's Meats. "Our success is based on our dedication to first-rate, top-drawer product quality and a level of personalized service that only a select few retailers can match. As an example, Alexander's has 12 cutters I work with — many 'retired' guys — having a total of 470 years of history and experience in cutting meat. Ask for what you want and you have it 10 minutes later. Produce works in the same manner. We have people working for us who know our standards and are in the markets daily to make sure we get what we need."

"We make home deliveries twice a day, five days a week, which generates a stable and loyal customer base," adds Victor Wong, produce manager. "Our produce buyer procures most of our produce at the LA market but we direct-buy summer fruit from farmers close by in California. At the same time, we can price product below our upscale competition and just a bit above nearby chains."

José Manzano, produce director of Dorothy Lane Markets, Dayton, OH, identifies another key focus for these independents: "Our customers are highly educated, well-traveled food lovers rather than just affluent consumers. They're eager to try new products, so we sample three to four items daily. They bring many new ideas to our attention.

"About 16 percent of our sales are in produce with over 600 items. Two hundred of them are organic, which we integrate into the produce departments. To serve our customers well, we need to be highly knowledgeable about product, where it comes from and what to do with it," he notes. "We're lucky that the company supports us with travel and training. It's the only way we're able to keep up with customer requests. If we don't regularly stock it, we can usually get it with in a few days."

For Sunset Food Mart, Highland Park, IL, in Chicago's northern suburbs, keeping customer loyalty is all about service. Vince Mastromauro, director of produce for all four stores, notes, "After 70 years in business, we know what our customers want. We can usually offer the best seasonal produce first. We can buy off the market, have a great decade-long relationship with our major supplier, Indianapolis Fruit [Company, Inc., Indianapolis, IN], and can work closely with local growers. We typically don't need as much total product as a big chain so growers of individual specialties can supply us. We also bag all groceries and provide valet service under a portico to unload bags for customers."

Carmine Giardini owns Carmine's Gourmet



Attention to Details — such as clearly identified produce origins — sets the independents apart from the chains.





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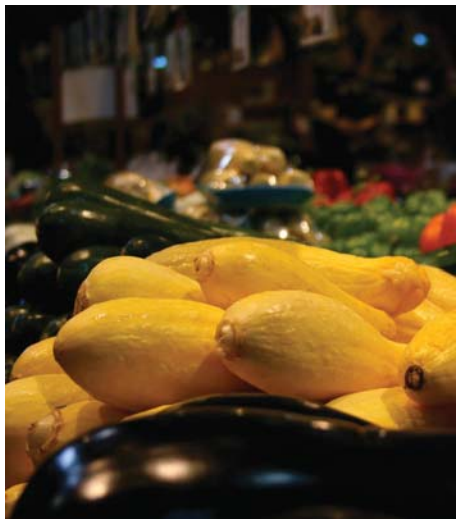


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Reader Service # 44





Quality, variety and service are the hallmarks of successful independent supermarkets.

Market, Palm Beach Gardens, FL, a 16,000-square-foot store that started in 1972 as a prime meat market before expanding into a full-service specialty store with the full complement of perishable departments — meat, seafood, bakery, deli, produce and prepared foods in its current location. Catering and a white tablecloth Italian restaurant came along with full-service catering and award-winning prepared foods. About 20 percent of space is devoted to premium-level produce that generates about 16 percent of the store's sales.

"Quality and service — that's all you need to succeed", says Giardini. "We know our customers, their needs, their likes and dislikes so well. Whether it's offering seven varieties of peaches or local tomatoes, our own recipe for salsa or an extensive selection of fresh foods from Italy, we can supply customers restaurant-quality prepared foods or exactly the ingredients they need to create special meals at home. The two restaurants, the catering service and the store all complement each other."

Detroit is notable for its outstanding produce market and Westborn Fruit Market takes full advantage of that resource. Mark Anusbigian, one of three partner brothers, estimates produce sales at 35 percent of total sales, largely due to the selection and quality available at the Detroit Terminal Market. "I think our produce is 100 percent of the reason why customers come. We work hard to develop and maintain the 'wow factor' where every display pops, jumps and screams. Even now, with economic problems in Michigan with the auto industry, we have managed to sustain and grow our business."

Wilson Farm in Lexington MA, roughly 15 miles northwest of Boston, is also a consumer destination. The farm has been in the same location since 1884. The family opened a farm stand in the 1950s and it has grown and been improved every decade. The current facility is actually two barns built in 1996 to accommodate today's needs. Produce comprises 60 percent of the barn space of about 10,000 square feet. Other perishable departments, including bakery, cheese, dairy, meat and prepared foods, fill the rest of the space. There is an adjacent 5,000-square-foot nursery and garden center. The five partners, their wives and children make up the fourth and fifth generations of the Wilson family to own and operate the farm. In addition to the fruits and vegetables grown on the adjoining 33 acres, there is also a 500-acre farm in New Hampshire.

"Quality is always first," says Scott Wilson, one of the partners. "Our selection must be first-rate and we support our own supply with six visits a week to the Boston Produce Center. We buy direct from other farms, from California and other major growing areas as well as import from Europe. From the very beginning of the farm stand, our wholesale business has helped us balance out supply and what we sell.

As owners of destination locations, both Wilson and Bonaminio immediately identify time constraints as their biggest competitive concern. They must attract customers from many miles away and are well aware of the degree to which local chain convenience can lure shoppers in a hurry. Their appeal is to more than filling a shopping cart.

"Jungle Jim's is in an area of moderate income," notes Bonaminio. "We have a different customer Monday through Thursday than we do over the weekend and holidays — we're open every day but Christmas — when we get more families, travelers and people looking for an entertainment outing. We do our hottest ads mid-week for the local people looking for great values. Our weekend promotions talk more about selections from all over the world."

For Wilson, "The farm is like a day in the country, with activities for kids, gardening seminars and tips for adults and seasonal festivals for the family. Our departments show the best of the best from imported cheeses, our own dairy products and eggs, prepared foods and bakery items made here, and all of it presented in a traditional farm setting. We set up and take down produce displays every day so everything is absolutely fresh.

EMPLOYEES MAKE THE DIFFERENCE

For all these operations, finding and keeping the right employees cannot be overemphasized. The owners empower employees to make good decisions and run their departments with passion.

O'Brien's O'Brien speaks gratefully of his produce manager Gary Camerillo and says, "I wish I could clone him. He treats his department like a store within a store and has developed close relationships with customers and suppliers alike. Our cheese manager, Joe Baird, started without grocery retail experience. We gave him a laptop to investigate cheese and now he has a worldwide network of expertise and supply to call on. These guys are amazing."

These retailers make sure their employees know they are appreciated. Sunset Food Mart recently held a celebration dinner for employees with more than 20 years with the company.

"It's sometimes difficult to find the right people," say Bonaminio, "Early turnover can be a problem. Once people catch on to the fun and enthusiasm here, they stay."

Dorothy Lane's Manzano, himself a 40+-year employee, relates, "One of our best competitive assets is the customer knowledge of our longtime employees. Customers have their favorites and will shop when they know they're on shift. We make a point to help customers by carefully packing bags, carrying them out and loading them in the cars."

Virtually every owner believes average chain store managers would gasp at the staffing levels independents use every day. A knowledgeable staff member is within reach at all times. The stores use customer-service metrics as part of employee evaluation. Jungle Jim's Brossart sums up the prevailing attitude this way: "You have to make a profit, but there's more to keeping a customer than just making a sale."

THE CHALLENGE OF COMPETITION

All these stores operate in the face of stiff competition from operations such as Kroger, Publix, Wal-Mart, Whole Foods, Trader Joe's, Meijer, Jewel, Dominick's and Costco. They look at competition in somewhat different ways, breaking into two distinct groups.

Several, including Sunset, King's and Carmine's, are nestled into the center of older, traditional, upscale communities where individual, personalized, everyone-knows-your-name service counts for a lot. A customer's whim is their command. And with the extensive selection of chef-prepared foods, customers only cook when they want to. These stores have



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identified and catered to a niche customer, building a community within a community. It does not necessarily mean every price is higher although clearly some are and have to be. The stores have a gut-level understanding of their customers' perceptions of value.

King's Sussman says, "We run the store like a family. We're a classic — you could say we're the Frank Sinatra of stores, right for our community. Our competition tends to chase the new, the trendy — maybe like a new rock star."

O'Brien's O'Brien and Dorothy Lane's Manzano work in a different environment and face more direct chain competition. Both count on day-to-day operations to enhance their competitive differentiation.

"We're very hands on, checking quality and talking to customers every day in every department," relates O'Brien. "We look different from the other stores in our area, and although our stores are smaller than most chain stores, we have more choices in a number of areas. Our presence does make a difference."

Manzano points to the difference a good, full-service supplier makes, "We work with Caito [Foods Service, Inc.] out of Indianapolis and they help us make sure we can get the produce products we need. We sample three to four produce items daily and in season, partner with local farmers we can promote by name. The size fits our needs and brings great tasting items to customers."

Westborn Market faces competition from Whole Foods, Trader Joe's and Kroger coming in to take over some key Farmer Jack locations. "We don't have much traditional center-of-the-store items," explains Anusbigian. "People come to us for the perimeter and we've created a niche that continues to work. Great product, great service is the right combination for us. Customers expect to find the new, the different just as if they were on a treasure hunt."

> "You have to make a profit, but there's more to keeping a customer than just making a sale."
>
> — Dave Brossart
> Jungle Jim's
> International Market

Both Wilson and Bonaminio see fast food, chain restaurants and anything easy to access as competition.

Bonaminio describes his strategy: "When the competition begins to intrude into an area we've developed, we go deeper into that niche and make it bigger, more compelling and of greater service and value to our customers."

Most of the stores have pursued organic produce in a major way. "It's important to our customers, so it's very important to us," says Carmine's Giardini, "Because of our long history and close relationships overseas, we can source organics internationally as well as domestically."

"Sunset has committed to 50 to 80 organic items at any given time and runs both printed and in-store ads," explains Mastromauro,

COMMITMENT IS ALL

All these people — whether owner, manager or employee — are brimming over with enthusiasm for what they do. Clearly, independent food retailing is not for the meek or those looking for an easy career. Wilson mentions plenty of 90-hour weeks. Some of the others may not even be able to put a number on the hours they work but their level of commitment and passion infuses every statement made.

Good news. Bad news. Indeed. How lucky we would be to live within reach of these stores! **pb**



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Reader Service # 51

Back-To-School Merchandising

Lunch-box produce moves to the head of the class.

BY CAROL M. BAREUTHER, RD



Mom is coming to your store this month in search of fixings for back-to-school lunches.

According to preliminary numbers from the U.S. Department of Agriculture (USDA) for the 2006-07 school year, as supplied by the Alexandria, VA-based School Nutrition Association, about 25 million children nationwide in grades K-12 do not participate full time in a school lunch program and therefore bring part of or their entire lunch from home.

Top of mind when Mom shops, says Mike Kemp, director of produce, Save-A-Lot, a 1,252-store chain based in St. Louis, MO, and a subsidiary of Supervalu, based in Minneapolis, MN, "is convenience and healthfulness. Parents are more and more concerned about childhood obesity."

Parents may want kids to eat nutritious snacks, but kids have their own ideas. According to the article, *What, When, and Where Americans Eat*, in the August 2003 issue of *Food Technology*, published by the Institute of Food Technologists (IFT), Chicago, IL, there are eight top reasons why kids ask for food. They are, in order of importance: 1) a good time eating it, 2) easily take it with them, 3) easy to prepare, 4) healthful, 5) easy-to-open package, 6) does not give you bad breath, 7) easy to share with friends, and 8) has a surprising or intense flavor.

As for what foods kids like to eat, Dionysios Christou, vice president of marketing for Del Monte Fresh Produce N.A., Coral Gables, FL, says, "Recent studies show an average 91 percent of kids ages six to 14 like fruits and an average 71 percent of kids the same age like vegetables."

Because of this, he adds, "The major trend is to make produce more accessible to kids. Pre-packaged, fresh-cut fruits and vegetables have gained major ground because they satisfy kids' desires.

"More and more parents seem to be too busy trying to balance work, home and family to dedicate time to cook and pack lunch boxes," he adds. "Ready-cut and packed fresh products are at a higher demand because they remove the hassle of preparation and allow parents to offer their kids healthful foods and snacks for school breaks."



Photo courtesy of Crunch Pak

Ready-to-eat can also prompt kids to eat more fruits and vegetables. Per capita consumption of carrots rose from 8.3 pounds in 1987 to 14.4 pounds in 1997, with the introduction of fresh-cut or baby carrots, according to USDA's Economic Research Service.

Tony Freytag, marketing manager, Crunch Pak, Cashmere, WA, shares this bit of anecdotal information: "School professionals have told us kids eat about 20 to 30 percent of apples when served whole but as much as 80 percent when served pre-sliced."

POSITION MAINSTAYS FOR BACK-TO-SCHOOL

Retailers already carry a mix of whole and fresh-cut produce that can be highlighted in back-to-school promotions.

For example, Kemp stocks apples, oranges and grapes, plus ready-to-eat items such as sliced apples and baby carrots and dip.

"Examples of lunch-box-ready snacks our stores offer include packaged celery sticks and peanut butter, baby carrots and dip, and packaged apple slices," relates Paulette Thompson, manager of health and wellness, Stop & Shop, a 348-store chain based in Quincy, MA, and part of Ahold USA. "Other good lunch-box produce items we carry are small apples, bananas and dried fruit."

As for whole fruit, "There is a whole host of grape varieties available this time of year including the popular Crimson Seedless, Flame Seedless and Thompson Seedless," notes Cindy Plummer, vice president of domestic marketing, California Table Grape Commission (CTCG), Fresno, CA.

"Bananas are naturally a perfect fit and baby bananas are great for children with smaller appetites," reports Christou.

Michelle Deleissegues, marketing director for Red Blossom

Farms, Santa Maria, CA, notes, "We'll have strawberries in promotable volume for August and September. They're a fruit Moms can feel good about putting in kids' lunch boxes, and kids are excited to have them. Both are happy."

Early fall is the perfect time for fresh pears, says Kevin Moffitt, president and CEO, Pear Bureau Northwest (PBN), Milwaukie, OR. "The Bartlett harvest starts the second week of August and there's plenty of fruit in the pipeline by back-to-school time. We encourage retailers to offer a two-size program to offer smaller fruit for kids."

New on the sliced apple front is a clamshell container that holds five 2.8-ounce bags of sliced apples introduced by Crunch Pak. The rigid pack is designed to prevent bruising. The company also re-formulated its caramel dip this year to reduce sugar and fat, thus meeting guidelines for Disney Garden branding. The ¾-ounce container of dip is packaged with 2 ounces of fresh-cut apples.

This fall, Crunch Pak will debut a 1-pound bag containing both red- and green-skinned apple slices. "The makers of M&M chocolate candies did a study and found consumers ate more when presented with a mixture of colors than when only one color was in the bag," Freytag explains. "We think this same concept will work with apples and ultimately increase consumption."

Yo Bites, LLC, Yakima, WA, continues to expand distribution of its sliced apple product into retail, following its successful acceptance in school foodservice. "We can offer either a 16- or 20-ounce tub with 2- or 4-ounce bags of sliced apples. The retailer makes the call on size according to the price point they want to hit," says marketing specialist and partner Steve Fox.

AppleSweets are a new line of flavored sliced apples introduced by Stemilt Growers, Wenatchee, WA, in limited distribution earlier this year. Two flavors, County Fair Caramel and Wild Berry, are available in lunch-box sizes of 2.5-ounces each. Other flavors will be rolled out in the future. Marketing director Roger Pepperl explains, "The flavors are made from all-natural ingredients that don't add calories or fat to the apples." Stemilt also offers unflavored slices in sweet- and tart-tasting varieties of apples.

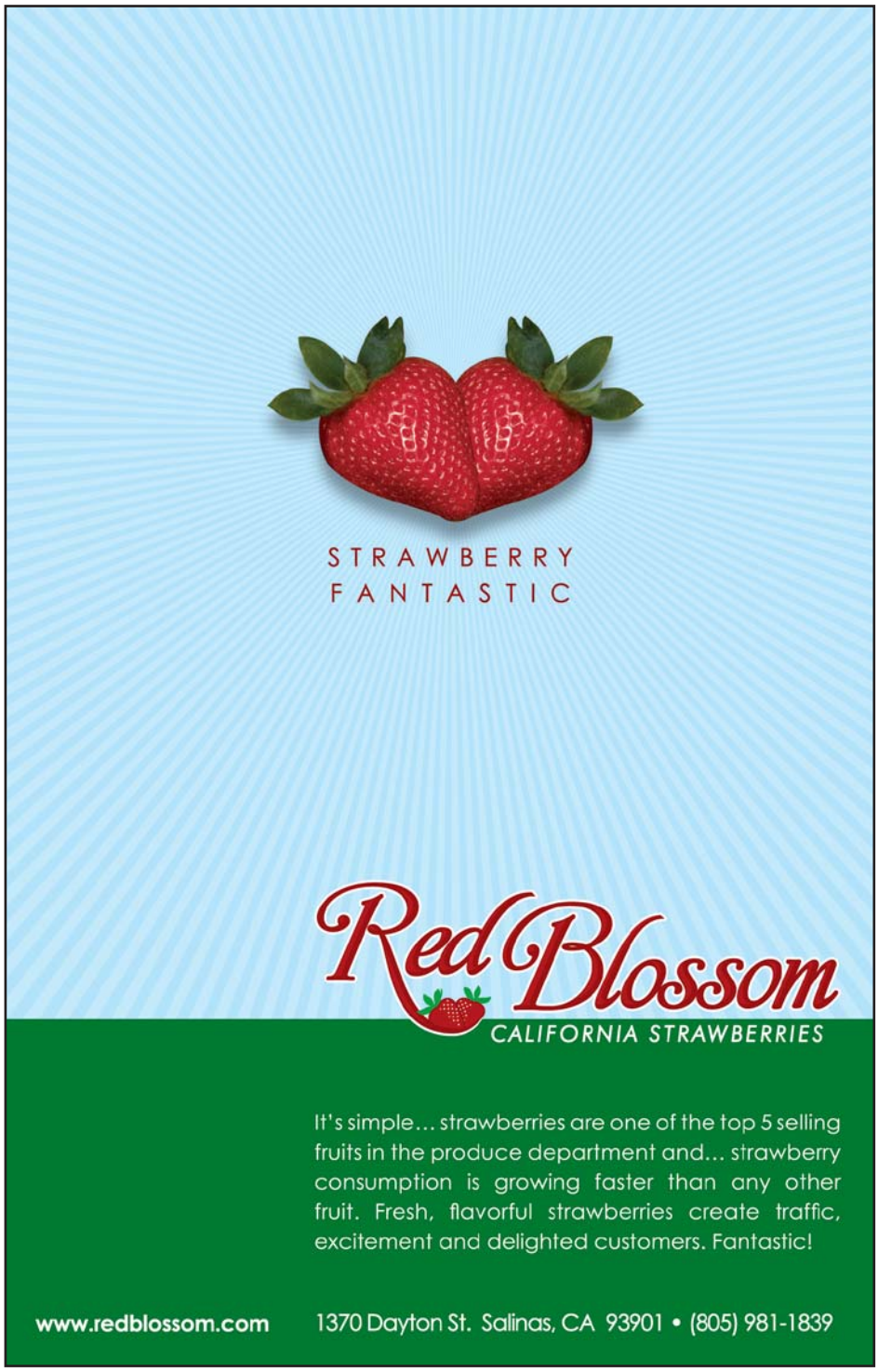
In addition to sliced apples, Sunkist Taylor LLC, Watertown, MA, a joint venture between Taylor Farms, based in Salinas, CA, and Sunkist Growers, based in Sherman Oaks, CA, offers single-serve fresh-cut pineapple, oranges, grapes and a mix of apples and grapes under its Fun Fruit label. President Rick Harris, explains, "This fall, we will be launching multi-pack versions to a number of selected supermarket and club customers on the East Coast and West Coast.

"In the future, we're looking at developing Fun Veggies. Vegetables can be a tougher sell to kids than fruits," he adds.

Carrots are one of the easier vegetables to get kids to eat. "Consumers will call and tell us our carrots are so sweet their kids eat them like candy," relates Tonya Antle, vice president of organic sales, Earthbound Farm, San Juan Bautista, CA. Earthbound markets organic carrots with organic ranch dip and 2-ounce sized mini-peeled organic carrots, as well as snack sized raisin boxes and apple slices.

In June, Grimmway Farms, Bakersfield, CA, introduced two new organic carrot items under its Cal Organic brand, a 3-pack of baby carrots and dip and a 10-pack of snack-sized baby carrots.

According to Gary Zych, national sales director, Reichel Foods, LLC, Rochester, MN, "After apples and carrots, celery sticks and peanut butter are our third most popular snack items with kids." The company has licensed Spiderman from Marvel Character Inc. and will introduce packaging with this character on select produce snack packs beginning this fall.



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Reader Service # 24



On the dried fruit front, Karen Caplan, president, Frieda's Inc., Los Alamitos, CA, says, "Our kid-friendly snacks include dried cherries, strawberries, bananas, cranberries, blueberries and soy nuts."

The Stretch Island Fruit Company, Allyn, WA, introduced its rolled-up FruitaBu Twirls in Smoooshed Apple, Smoooshed Grape and Smoooshed Strawberry flavors earlier this year. Each provides one serving of fruit, contains over 90 percent real fruit and fruit juice, and is USDA-certified organic. John Henry Siedlecki, FruitaBu brand manager, says, "Our latest innovation is Splooshers. These are colorful tubes filled with organic fruit purée. We'll introduce the product this fall."

ENTICING DISPLAYS

Mom might ultimately decide what's purchased, but the kids do a lot of lobbying.

"First and foremost, displays must be fun and eye-catching," advises Earthbound's Antle. "Kids want fun food that doesn't look like 'homework.'"

Del Monte's Christou agrees, advising retailers to "set up eye-catching displays that focus on all that is lunch-box friendly, such as bananas, apples, grapes, berries and fresh-cuts. They can add easy recipe ideas, like adding apples and bananas to a peanut butter sandwich, so parents can offer kids a variety of fun lunches. Recipe ideas should aim at getting kids excited about eating more fruits and vegetables."

"We build a big 8- by 12-foot back-to-school endcap display that has fresh produce items such as apples, oranges, and strawberries and a big section for dried fruit," explains Jeff Robbins, produce manager at a Stop & Shop in East Haven, CT. "The sign over the top reads, 'Great For Lunch Boxes.' It's the eye appeal that really draws the customers. We sell from the display all year-round, but it's largest in the early fall."

CTCG's Plummer suggests retailers "keep two fundamental goals in mind when building a display — quality and abundance. Just

Store Tours Capture Kids Early

Supermarket tours are a natural way hook kids on fresh produce. They are a simple, non-threatening way to get kids to try produce items that may not see at home. Karen Caplan, president of Frieda's Inc., Los Alamitos, CA, advises making produce department tours available to local schools and giving out samples — and coupons — to the kids. The sample grabs the child and the coupon brings Mom in to purchase the item.

According to Paulette Thompson, manager of health and wellness, Stop & Shop, based in Quincy, MA, "Store tours are perfect for pre-school through third grade. The tours teach children the food groups in MyPyramid for Kids, emphasizing color and variety of fruits and vegetables. Teachers receive a curriculum guide to use in the classroom and all the children receive an activity book and handout all about MyPyramid for Kids. Individual stores often host other events in partnership with their neighborhood schools. It's a win-win for everyone." **pb**

as people tend to take larger portions during an abundant Thanksgiving meal, customers are inclined to buy more grapes from an abundant display."

The optimal locale to display fresh-cut ready-to-eat produce can vary, with a key factor being the need to refrigerate. According to Reichel's Zych, "The majority of the larger retailers have a planogram system that places produce snacks in with party trays. Call attention to the smaller lunch-box snacks with the use of danglers, rail strips and other types of point-of-sale signage."

Regardless of where product is displayed, make sure lunch-box snacks stand out by offering a plentiful display of product. Secondary displays outside the produce department can also add to the department's ring.

"One major retailer also stocks our produce snacks in a separate area along with the grab-and-go sandwiches and protein salads," comments Zych.

Secondary displays and product available at the checkout are other suggestions.

KID-FRIENDLY CROSS-MERCHANDISING

"We usually run a back-to-school ad that includes healthful produce items for kids' lunches along with brown paper lunch bags and school supplies," says Marvin Lyons, produce director, Bigg's, an 11-store chain based in Milford, OH, and a subsidiary of Supervalu, Inc.

According to Del Monte's Christou, "To offer complete lunch-box ideas all in one area, retailers can cross-merchandise produce with condiments, cheese and a variety of items from the deli and bakery departments. This will encourage kids who go to the supermarket with their parents to choose healthful snacks to include in their lunch box. Retailers can also cross-merchandise produce with non-edible and lunch-box related items such as snack bags, containers, and thermoses."

Red Blossom's Deleissegues suggests cross-merchandising soft fruit such as strawberries with plastic storage containers that will protect the fruit.

PBN offers Pear Packers, re-usable containers designed to transport and protect ready-to-eat pears. "These make a great tool as a gift with purchase," says Moffitt. "Retailers can distribute these at the point of display. For example, it's labor intensive, but produce staff can place ripe pears in the Pear Packers, add a napkin and sell them for $1 each. Or retailers can work with a wholesaler to place the pears in pack before delivery to the store. Pear Packers can also be distributed to customers with a purchase receipt at customer service, through a loyalty card program or online grocery."

ADVERTISING AND PROMOTION

Save-A-Lot's Kemp orders small-sized fruit, such as apples and bananas, and changes the pricing strategy from per pound to each. "We'll run multiples for a buck. If we can hit multiple price points that are attractive, we'll do that, too. We'll also have a 'special buy' sign that alerts customers. This makes it easier for parents to calculate the cost to prepare their children's lunches.

"We start this type of promotion in late August and run it into September and October. Then, we hold off during the holidays, but bring it back in January," he adds.

Zych is a proponent of this strategy. "We recommend four for $5 ads or 10 for $10 ads. Build the ads in such a way that customers can pick up a variety of products. Put these items in an end-cap display at the same time as the ad runs to be doubly effective."

Back-to-school is a powerful promotional theme. Last year, says Stop & Shop's Thompson, "We provided a free *Healthy Family Eating* booklet to our customers that included a lunch section, snack ideas, beverage guidelines, information on the importance of family dinners and recipes." **pb**



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Reader Service # 11

Specialty Items Cultivate A Broader Customer Base

Specialty produce can bring in more sales and spur higher customer satisfaction.

BY TRISHA J. WOOLDRIDGE



Photo courtesy of Melissa's/World Variety Produce



Photo courtesy of Frieda's, Inc.

From fresh herbs and entirely new fruits to cross species, ethnic offerings and organic products, produce departments are growing in size and scope.

More and more consumers are interested in cooking and want to reconstruct exciting recipes they read or see on television — and they need the products to do so. Thanks to the Internet and media coverage, consumers are more knowledgeable than ever before when it comes to ingredients and more demanding when it comes to quality.

Although some retailers do not carry a wide variety of specialty items because of shrink concerns, offering consumers a bit of education — and sometimes a little taste — has a major impact in product movement.

"The biggest challenge we hear from retailers is the perception of 'increased shrink' when they offer a fair amount of specialty," explains Karen Caplan, president of Frieda's, Inc., Los Alamitos, CA. "This is a bit of a conundrum, as we also hear that when stores cut back on specialties to reduce shrink, their shrink actually goes up, as they lose those shoppers who spend a lot of money in their stores."

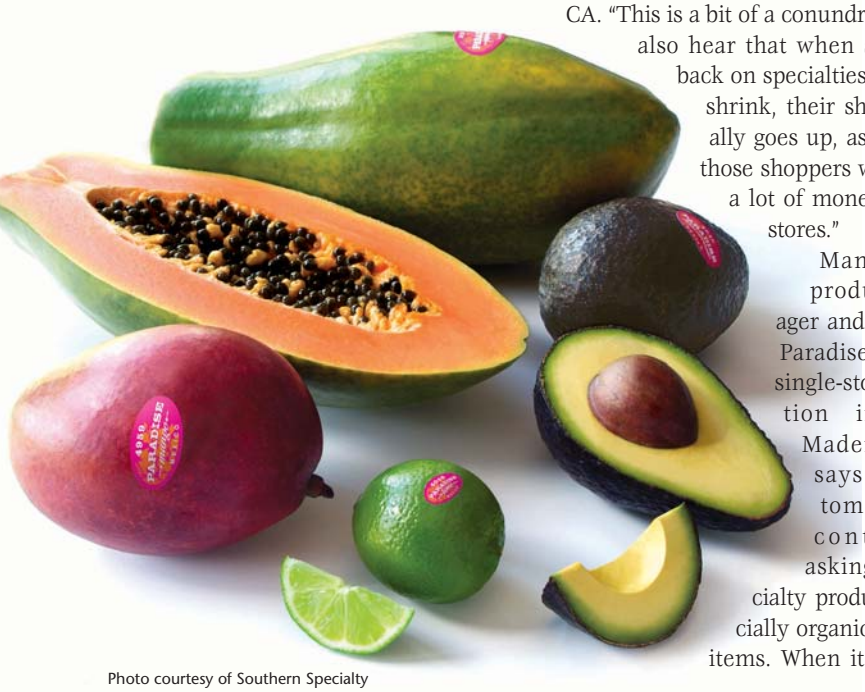


Photo courtesy of Southern Specialty

Manolo Ake, produce manager and buyer for Paradise Foods, a single-store operation in Corte Madera, CA, says his customers are continually asking for specialty products, especially organic and local items. When it comes to shrink, Ake says, "It's really minimal; I don't really see it. I bought a case of graffiti eggplant three days ago and there are about four left out of 50."

The shrink concern not withstanding, offering a variety of specialty produce provides a number of benefits. "You have a key competitive advantage for offering so many varieties," says Robert Schueller, director of public relations for Melissa's/World Variety Produce, Los Angeles, CA. "A diverse portfolio of produce brings in a diverse portfolio of customers."

Rick Rutte, produce director for Holiday Quality Foods, a 17-store chain based in Cottonwood, CA, shares his experience with one particular specialty product, Belgian endive. "There was a woman who drove 30 miles one way — each week — because we carried it. I may have shrunk out a bunch of it, but I had a customer doing a full week's worth of shopping because of one item."

"Specialty produce has had an astronomical growth over the past few years," notes Catherine Baggott, marketing director of Sausalito, CA-based Epic Roots, which specializes in mâche, a European salad green. "One of the opportunities of providing specialty produce, such as mâche, is that it expands the variety on the shelf for the consumers — it brings them items not readily available."

"[Customers] want quality first," adds Ake. "They don't ask what the price is — they want the nicest they can get."

"The biggest advantage of offering specialties is the halo effect," adds Caplan. "That is, you are sending the message to your shoppers that you will make those hard-to-find items available to them on a regular basis. The benefit to this is you tend to attract a shopper who spends more money in your entire store. Additionally, you attract chefs and others with a high culinary interest who will send their friends and colleagues to your store — and, of course, will buy more from you."

WHAT'S SO SPECIAL?

"One person's specialty is another person's commodity," states Charlie Eagle, vice-president of busi-

ness development for Southern Specialties, based in Pompano Beach, FL.

The term specialty produce is continually evolving. Jalapeños, chipotles and tomatillos may be specialty or gourmet at one store but commonplace at a location with a significant Latino population. Kiwis were once a specialty product but can now be found in almost any produce department.

Vince Choate, director of marketing for Hollandia Produce, Inc. in Carpinteria, CA, explains, "With our growing societal diversity, there are endless introductions to the specialty food category that will eventually become mainstream. What was once considered ethnic is now haute cuisine."

While greater numbers of consumers are requesting specialty products, many still need to know what these new offerings are, how they taste and how to use them.

"Some of the best sellers are seen as mainstream by many retailers, such as jalapeño chile peppers in the Hispanic category, snow peas and sugar snap peas in the Asian category and papayas and mangos in the tropical category," states Frieda's Caplan.

In addition to tropical and ethnic foods, there are multiple other specialty produce items. Mâche is one of the most popular greens eaten in Europe although it is a specialty product in North America, explains Baggott. A salad green with a sweet and nutty flavor, it is available in "over 3,000 stores in the United States and over 500 stores in Canada," he says.

Another entirely new specialty product is the Peppadew, a sweet yet piquant pepper that was discovered in South Africa. The flavor is a "sweet and tangy with a little zing," according to Pierre Crawly, vice president of marketing for Peppadew products at Strohmeyer & Arpe Company, Inc. in Short Hills, NJ. "Because it's a new species of plant, the produce department is ideal."

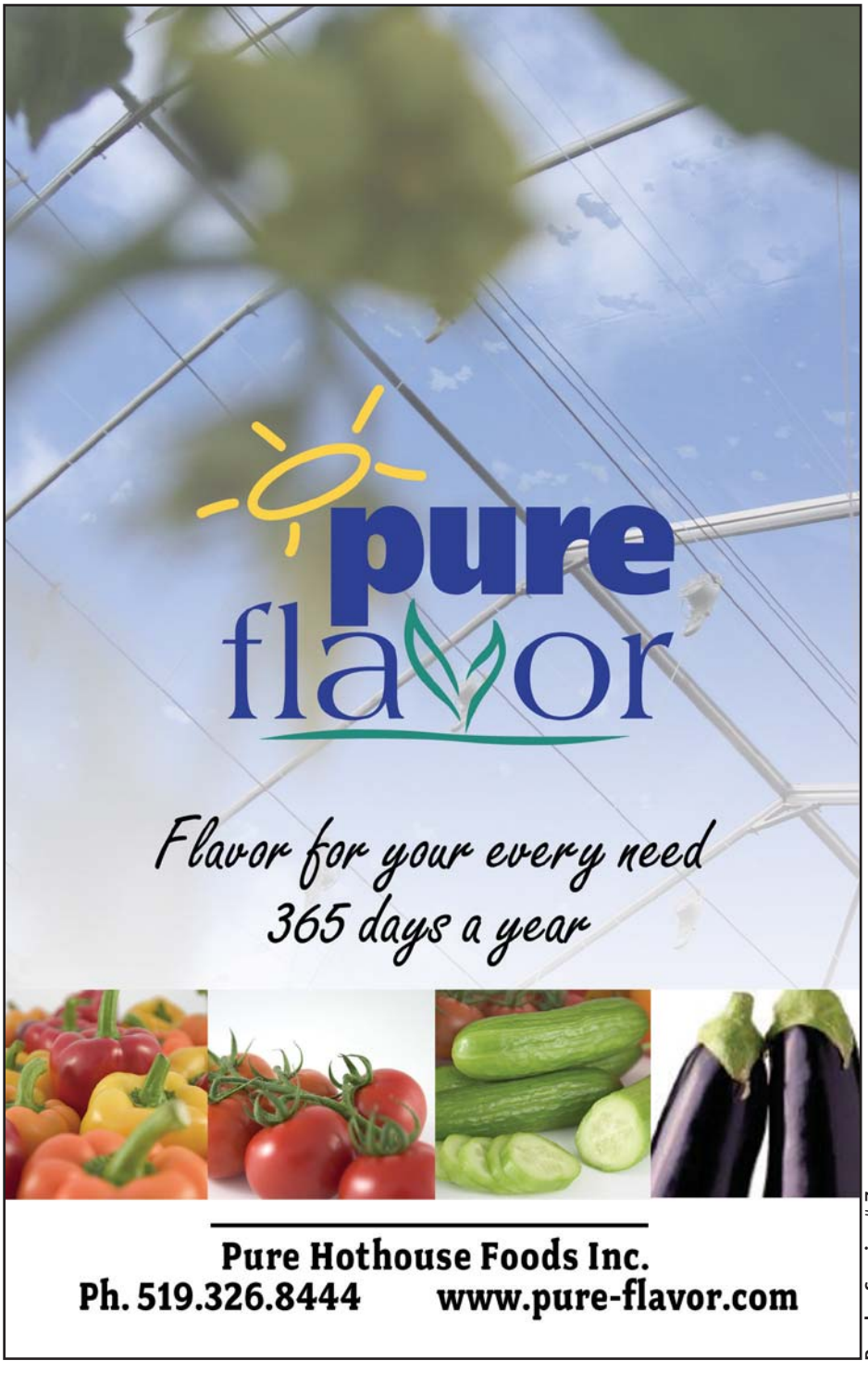
Herbs are another specialty product growing in popularity, especially organic herbs. HerbThyme Farms, based in Compton, CA, is adding acreage for organic herbs, which continue to increase in popularity, says Raju Boligala, president and CEO.

"Forty to 45 percent of the sales are organic," he explains. "In the next three to four years, I foresee even more customers wanting organic products." Organic herbs, he says, "taste much, much, much better. They are good for your health, for the environment and for the eco-system."

EDUCATION IS KEY

The best way to sell more specialty produce is to educate consumers. While greater numbers of consumers are requesting specialty products, many still need to know what these new offerings are, how they taste and how to use them.

"Name and price are not enough for core customers who would buy the products," explains Melissa's Schueller. "The next generation doesn't necessarily get information from parents on cooking." When stores introduce new products, he advises starting an educational campaign with signage, demos, recipe cards, brochures and informational advertisements.



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Reader Service # 46

Care And Handling

Some retailers worry specialty products require special care. The truth is quite the opposite. Most specialty items fit right into established produce areas with little or no special care required. Merchandisers just need to be educated on where to put things, according to Robert Schueller, director of public relations for Melissa's/World Variety Produce, Los Angeles, CA. "If you take yucca and put it in a misted area, it will go bad, for example." However, if yucca is placed with other root vegetables, it maintains its integrity.

On the other hand, mâche "requires the same care and temperature as bagged or pre-packaged salad mixes and has a 2-week shelf life," explains Catherine Baggott, marketing director of Epic Roots, Sausalito, CA.

Peppadew products, imported by Strohmeyer & Arpe Company, Inc. in Short Hills, NJ, come in jars or in 70-ounce Cryovac pouches. The jars need no special care; produce departments can separate the bulk pouches into smaller servings or offer them in salad bars. The only special handling required, says Pierre Crawly, vice president of marketing for Peppadew products, is to keep the juice with the peppers to maintain the flavor integrity.

Many companies that distribute specialty products include care information on the packaging or on the shippers. The Paradise Tropicals label from Pompano Beach, FL-based Southern Specialties has a new box with appeal and impact. "It has hot colors of the tropics," explains Charlie Eagle, vice-president of business development for Southern Specialties, "with leaves and product identity information. The PLU stickers for the fruit are in hot colors and allow for easy identification by customers and checkout associates. You can merchandise the fruit right out of the box." **pb**

Epic Roots' Baggott adds, "Stores can really showcase specialty products by bringing nutritional information to customers' eyes with POS materials; include recipe ideas and meal solutions."

According to Choate of Hollandia, produce associates selling specialty items need product knowledge — "What it is, how it's used and how to take care of it when the shopper gets it home." He advises associates to "become the subject matter expert. Investigate, know and share with your customer the unique features and benefits of the specialty item. You may find you've just exceeded their expectations and increased customer loyalty tenfold."

"Before, we were trying to bring in Asian fruits and vegetables," shares Rutte of Holiday Quality Foods, "but the customers didn't know what to do with them, so they just sat." He also adds, "When you offer samples, you generate sales."

HerbThyme's Boligala agrees with the importance of samples and demonstrations, adding, "Sales in stores with periodic cooking demonstrations sometimes have two times the herb sales as retailers without demonstrations."

Many growers and shippers are quick to meet the challenge of customer education through POS materials and convenient packaging. Many distributors include recipes and tips on the packages; they also offer a lot of information on their Web sites. A simple sign suggesting consumers can find recipes and tips on the package could be just enough to get the item into their cart or basket.



"Cross-merchandising and co-merchandising with recipes boost sales for multiple produce items and help the customer make an easy meal solution with one stop," suggests Baggott.

Cross-merchandising can be particularly effective to show how and where to use herbs, according to Boligala. "In a beautifully organized tomato display, put in some basil — it creates an impulse buy for the basil." Boligala also suggests basil and oregano as good matches in displays with extra virgin olive oil. Dill works well with fish, and rosemary skewers make excellent barbeque accessories in the meat department.

With a little educational effort, retailers can use specialty produce to draw in a wider customer base, ultimately raising profit margins for the department. **pb**

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Reader Service # 70

Rigid Packaging Backs Up Produce Offerings

Rigid packaging allows retailers to address shrink, safety and "green" requirements.

BY DUANE CRAIG

From 2001 to 2006 demand for rigid packaging increased 6.5 percent per year, according to researchers at Fredonia Group in Cleveland, OH.

"I see it expanding even further than it has in the last five years," says Kurt Zuhlke, president and CEO of Kurt Zuhlke & Associates, Inc. in Bangor, PA. "It's so easy for the consumer and it's so easy for the retailer as well as the re-packers to use. Plus it's a very durable product line."

"Rigid plastic or clamshell packaging really lends itself to the marketing of all produce and value-added items in particular," adds Jim Scattini, director of new business development for Sambrailo Packaging in Watsonville, CA. "If done correctly, it addresses the needs for more efficiency at the packaging level, increased consumer appeal on the shelf, tremendous ease at the retail register, longer product shelf life, reduction of shrink, food safety and tamper evidence and field-to-fork traceability."

"Most of the emphasis to date has been on materials and design," says Scott Cernosek, president of Primary Package in Visalia, CA. "I expect that more attention will be given to processes and systems for making consumer packages. People will try to find more efficient ways to make this packaging, ways to lower the cost, ways to make it more convenient for the consumer and to generally expand the variety of rigid packages for more commodities."



"The packaging arena is becoming very technical," notes David Stanton, brand manager for Minnetonka, MN-based NatureWorks LLC, makers of corn-based polylactic acid (PLA). "A lot of technologies go into these structures and that's why many of them are multi-layering." Among NatureWorks' produce packaging considerations are respiration rates, oxygen barriers and water transmission rates. The company also considers allergies; the plastics made from his company's product are corn-based yet they are non-allergenic even for people with corn allergies.

Herb Knutson, director of marketing for Shelton, CT-based Inline Plastics Corp., says using clamshell containers is a better alternative to shrink bands and wrap-around labels. "Shrink bands are costly and time-consuming to apply," he explains. "Wrap-around labels ... are also time-consuming and they ruin the merchandising of the product in the container by hiding it behind the label."

Myra Foster, manager of new business development for Sealed Air's Cryovac Food Packaging Division in Duncan, SC, uses an example of one of her company's products to illustrate multiple uses of rigid packaging. "In our Simple Steps application, or even in some of our case-ready trays, rather than having a hinged top or a separate lid, you could actually have a piece of film that's lidded to the top or skinned to the inside of that tray," she explains. "Like the clamshells, they give you the protection of the product through distribution. In those applications where you actually want to microwave steam a product, such as broccoli or asparagus, they also serve as a nice carrying vessel. They have handles on the tray that they make them amenable to consumers taking them out of the microwave after they've been heated."

Zuhlke says his customers are looking for modu-



lar packaging and quantity packaging set up. "We actually are able to retrofit some of the packaging we have now to fit the requirements they have," he relates. "We are being asked by a lot of chains to develop new packaging for different commodities and to design for various quantities. We have designed probably 18 different items in the past five years based upon that."

"I think rigid packaging is a real positive — it allows us to merchandise two sizes of products by having that different packaging," according to Darvel Kirby, business director of produce for United Supermarkets in Lubbock, TX, a 46-store chain including the Market Street and United Super Mercado banners. However, he notes, non-standardized sizing has been an issue in the past. For example, one supplier might have a shorter and wider 1-pound clamshell that does not stack with the clamshell from another supplier.

MANY APPLICATIONS

"Where we see some real trends, too, as it relates to fruits and vegetables, are with our rigid polypropylene-based trays because they do offer the convenience of microwaving if that's something that's desired," says Cryovac's Foster. For fresh-cut offerings, using a solid polypropylene tray with an absorber and a breathable film lid creates the opportunity to minimize vegetable bruising and adds the value of removing the washing and cutting steps for the consumer. And adding a rigid lid to the top creates the advantage of re-closing the container for storing leftovers, she continues.

"Rigid packaging is a real positive — it allows us to merchandise two sizes of products by having that different packaging."

— Darvel Kirby
United Supermarkets

NatureWorks' Stanton sees the packaging as keenly affecting the marketing message. "A lot of produce growers continue to look for ways to differentiate themselves in the marketplace. There are a lot of people doing a lot of the same types of products. What they're now looking at doing is trying to differentiate themselves at all levels including with the packaging.

"They've always really focused very heavily on particular aspects of their products that make them better than another's. Now not only do they point to the product being better but also that they've taken more care with their packaging as well. There are many things going on in the

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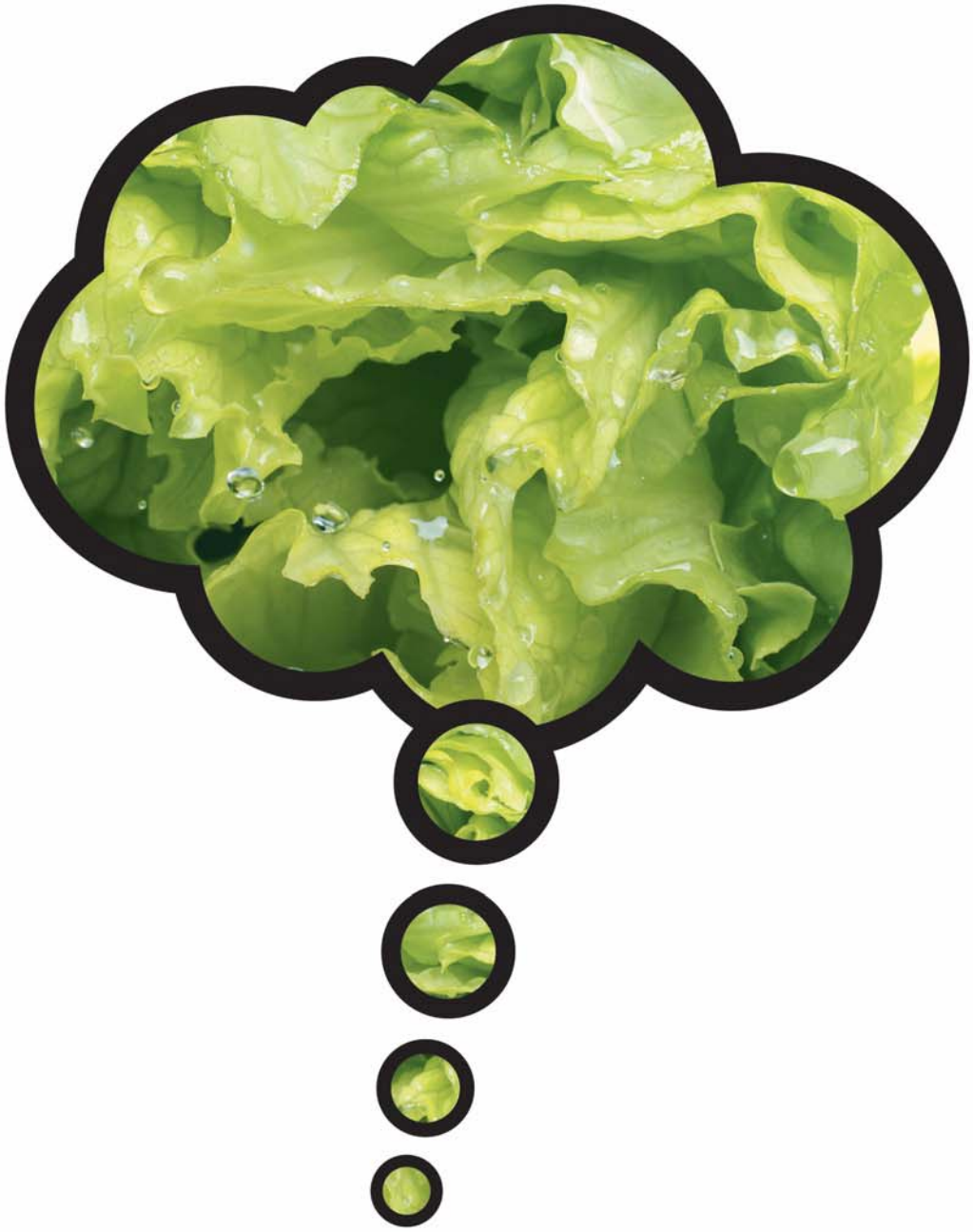
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Reader Service # 61



Photo courtesy of Cryovac Food Packaging Division

arena and what we see, too, is a lot of the packaging in produce is typically 100 percent NatureWorks polymer. Our volume has gone up in the last four years very, very aggressively. We're actually allocating our resin into the marketplace," he continues.

Foster says Cryovac's PLA-based foam trays are commercially available and have found a home with a very large retailer that is using the product for some select items. "That particular foam tray is made from 100 percent polylactic acid. The majority of our films are still petroleum-based products, yet we certainly do see the value of looking at

Security, Scanning And

"The good thing about clamshells is first of all you've got a hinged closed package so it's not easy to violate the security of the package," says Kurt Zuhlke, president and CEO of Kurt Zuhlke & Associates, Inc. in Bangor, PA. "The rigid plastic also protects against people trying to poke things into it because it's very hard and durable. It can be secured with a tape or a printed tape that gives the brand name as well as the company name or store name, and many of the clamshells have tamper-proof locking systems."

Herb Knutson, director of marketing, says Shelton, CT-based Inline Plastics Corp., focused on product tampering and safety when the company developed Safe-T-Fresh, a unique line of thermoformed clear plastics clamshell containers.

"We use technology designed to discourage product tampering without the need for the addition of shrink bands or wrap-around labels," Knutson explains. "You can tell, at a glance, that the product has not been tampered with, and no one has sampled anything out of the package."

Knutson says this type of packaging eliminates the cost of shrink band application and reduces costs associated with shrinkage and spoilage.

According to Myra Foster, manager of new business development for Sealed Air's Cryovac Food Packaging Division in Duncan, SC, "You can certainly minimize bruising, particularly on soft-tissue fruit. If you minimize the bruising, then you minimize the likelihood that bacteria can easily use the tissue. You have fewer issues of dehydration of the product and you get some extension just because the organisms aren't going to use it."

David Stanton, brand manager for Minnetonka, MN-based NatureWorks LLC, believes one of the biggest wins for retailers using this packaging has to do with getting things rung up correctly. "Now you have a package that you scan and it's going to be much more efficient. So, for example, when organic items are packaged and then scanned, you are not rely-

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Reader Service # 22

Shelf Life

ing on the cashier to ultimately push in the correct code."

Jim Scattini, director of new business development for Sambrailo Packaging in Watsonville, CA, agrees rigid packaging greatly reduces the "number of touches" and also highlights the ability to add locks to this type of packaging. "We have a line of clamshells that 'locks' and is then sealed with the packer's label. This label acts as a tamper-evident band and reduces the chance of pilfering or contamination.

"Also, the industry now has the technology to label each clamshell with a bar coded sticker so that it can be traced throughout the chain," he continues. "This feature helps because if there is a quality issue, a specific lot of produce can be identified and pulled from circulation, rather than the entire industry being directly implicated.

"In addition to being reusable, the clamshell protects the fruit or vegetable from mechanical damage. And when heat-sealed with the appropriate micro-perforated film, the life of the produce can be increased," he concludes. **pb**

other sustainable formats whether they are biodegradable technology or technology made from annually renewable resources."

Roy Ferguson, CEO of Chantler Packaging Inc. in Mississauga, ON, Canada, sees use of PLA clamshells expanding in the marketplace and believes they are competitively priced with PET (polyethylene terephthalate). "What we're doing to help our customers be more eco-friendly is adding TDPA — totally degradable plastic additives. It's inexpensive to produce and it runs on our machines just like regular film. We've been successful selling it for the packaging of kiwis and oranges so far."

Arthur Liu, executive for TDPA at EPI Environmental Technologies, Inc. in Vancouver, BC, Canada, says packaging using this additive will perform exactly the same as without the additives — except they will have a shelf life. "So now the package doesn't last forever anymore. It will have a shelf life and when that life expires, it can be disposed of in landfills and it will biodegrade. The end product will be water, carbon dioxide and biomass. The cost is between five and 10 percent higher than typical plastics," he explains. Using this additive does not affect recyclability. If the original product is recyclable, then adding TDPA does not change that as long as the item is recycled prior to the expiration date.

There is still much debate about what material is the most earth-friendly for packaging. Some see petrol chemical-based packaging as superior in addressing the needs of food packaging while still retaining economic incentive for recycling. "The best way of cutting down on the landfills is to have a recyclable material that is capable of being used over and over and over again. People just don't realize how valuable PET is. It's worth over 21¢ a pound



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Reader Service # 65

right now as a recyclable material," notes Kurt Zuhlke's Zuhlke.

Others point to increasing use of corn for everything from fuel to packaging as certain evidence that corn will eventually endure spikes in prices because of supply and demand. Stanton reveals that NatureWorks' corn packaging is actually dextrose-based and therefore not dependent upon corn alone. "We're in search of the most cost-effective dextrose source. That doesn't mean that in the future we're 100 percent tied to corn. One future we see involves using the stalk of the corn to get the sugars." Cornstalks are usually tilled into the soil and therefore a percentage could be available for other uses like packaging.

PRESENTATION AND SALES

Since produce increasingly represents lifestyle choices, manufacturers of rigid packaging see opportunities to reinforce that message on the packages. "When people go into the produce department, they are aware that it is the nucleus for healthful products in the grocery store," relates Skip Johnson, co-owner and marketing director for Get Fit Foods in Wenatchee, WA. "This packaging allows you to emphasize all the wonderful things that the food has in store for the consumer."

Many consumers will select products based upon their perceived environmental benefits and that can become a sales tool. In the past customers had to give something up in order to have more environmentally friendly packaging, Stanton explains. Some of those things included clarity, performance and more money. With today's alternative packaging, that does not have to happen. "With produce, you always want to be able to really see the product, and with the quality of NatureWorks packaging you can do that," he says.

Sambrailo's Scattini emphasizes the uniformity of clamshells offers the opportunity to market a brand with a label while answering the calls for excellent shelf facings.

"We've found sometimes that we can put a premium quality in a clamshell and offer that in addition to a lower-priced item," adds United Supermarkets' Kirby. "We sell cherries in bags but we also have a larger-sized cherry in a 1-pound clamshell at a higher retail. And then we do our Rainier cherries in the clamshells just because it's a little more upscale and we can get the correct ring on it. We're looking at other items, too, like figs and some varieties of grapes. You do have less handling by customers and that's where our shrink improvement comes in because once you put that out on display, it's not handled as much." **pb**



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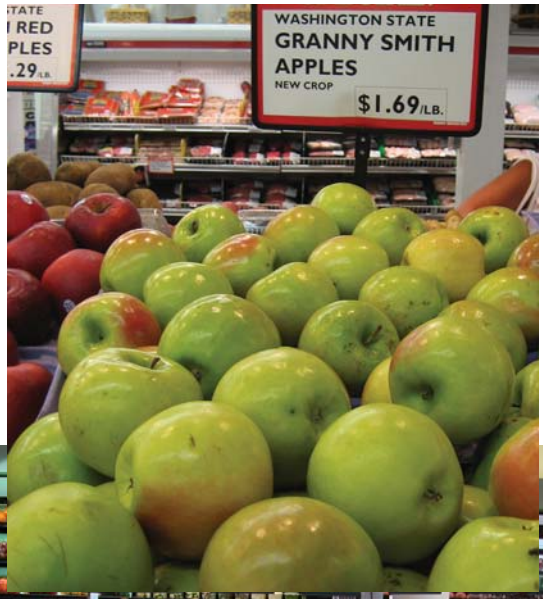
Reader Service #49

Washington Apples: Daring To Be Different

The industry pushes an expanding array of new varieties to capture consumer interest.

BY DUANE CRAIG

Having gained rapid consumer acceptance, apples from Washington state present retailers with a myriad of merchandising and seasonal promotion options.





"The varietal mix from Washington state offers the opportunities to have a beautiful color selection and to have fresh apples day in and day out," says Skip Johnson, co-owner and marketing director for Get Fit Foods, based in Wenatchee, WA.

"They really complement your produce department," adds Tony Moore, produce manager for Babbs Supervalu located in Spencer, IN. "People accepted them really quickly. It just amazed me that I could bring in three more apples like the Cameo, Pink Lady and Honeycrisp, make room for them in my produce department and sell a case or two a week."

The process of bringing new apples to market is time-consuming so growers look for ways to maximize returns from their investments. This means putting special emphasis on the apple's name.

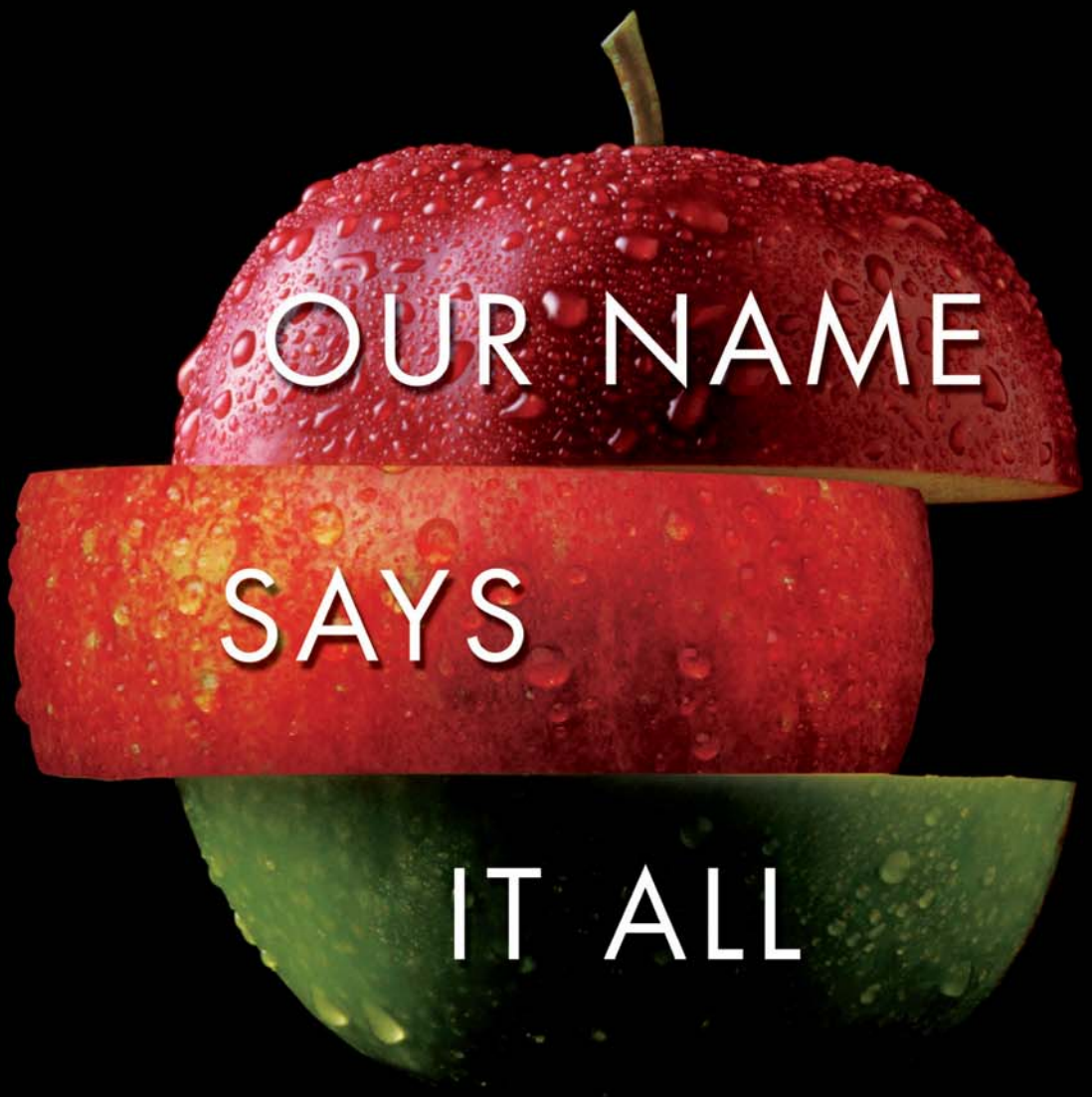
"It takes 12 years to go from a bud of an apple that you've got an interest in to a commercial packout," explains Andy Tudor, director of sales for L&M Companies, Selah, WA. Growers are working to reduce that time to six years, he adds.

Alan Taylor, marketing director for Pink Lady America LLC, Yakima, WA, reveals apple varietal names and apple trademark names are not always the same. The trademarked Pink Lady apple that his organization promotes is of the Cripps Pink variety.

This "branding" of apples, described as a marketing tactic by Kevin Precht, marketing program director for the Cameo Apple Marketing Association, Wenatchee, WA, has helped to create more value across the various cultivars.

"I think what it's done from a retail standpoint is show that consumers are willing to pay a premium for a quality piece of fruit that's unique and available on a limited basis for a limited time period," says Bob Mast, director of marketing for Columbia Marketing International (CMI), Wenatchee, WA. "Industry support has been there and retailers have done a good job of telling the stories in their ads."

"The industry over the past 20 years has become much more responsive to consumers and their needs," adds Loren Queen, marketing and communication manager for Domex Superfresh Growers, Yakima, WA. "We understand better what the consumer wants and how better to get those characteristics into an apple."



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"We knew years ago we were losing market share because we bred the flavor out of Red Delicious and we were just living on color," explains Randy Steensma, president of Nuchief Sales, Wenatchee, WA. "Then we saw these new varieties did not have the color that Red Delicious had and people were just going nuts over them. We don't need the reddest apple around — we just need very good tasting apples."

To adjust the structure of the apple category to more accurately reflect the contributions to the overall category by each variety, Precht says a group of Washington apple shippers created a category hierarchy after completing a segmentation study. (Please see the *Apple Category Hierarchy* chart on page 42.) "The problem was the varieties were in different stages of development with the consumer. So our industry looked at the varietal segment and broke it into three sub-segments."



Precht claims the established varietals have significant volume, and emerging varietals, such as Cameo, are key to driving growth within the entire category. There is also a fair amount of percentage growth being driven by introductory items such as Jazz and Ambrosia. In the background, the mainline varieties like Red and Golden Delicious continue to hold up well.

The established varietals have significant volume, and emerging varietals, such as Cameo, are key to driving growth within the entire category.

"The new Red Delicious orchards — or recently planted ones — are still very important," says Get Fit Foods' Johnson, "and even though they're down in that 30 to 40 percent range of the total crop I don't think that's

Continued on page 46

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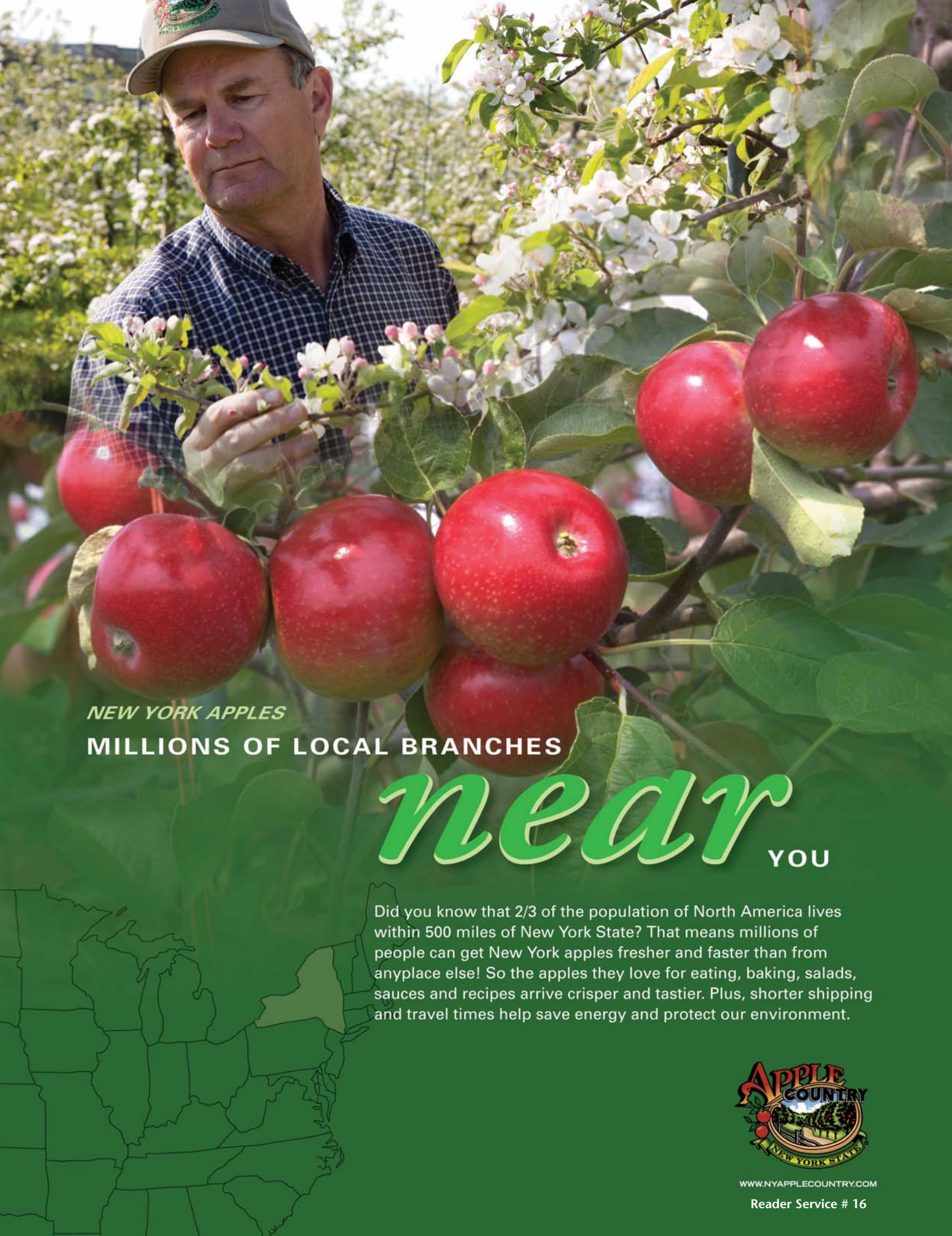
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Reader Service # 16

Washington State Apple Varieties



Red Delicious: This one is a classic — America's favorite snacking apple. The heart-shaped fruit is bright red and sometimes striped. Crunchy with a mildly sweet flavor, Reds are also great in salads. Washington apple growers have been producing the world's best Red Delicious apples since the 1920s. They are harvested in September and October and available throughout the year.



Golden Delicious: It is the all-purpose apple. Mellow and sweet, Goldens are great for eating out of hand, baking and salads. In salads and other dishes, their flesh stays white longer than other apples. The dry, warm climate of Eastern Washington is perfect for this delicate yellow beauty. They are harvested in September and available all year.



Gala: Pinkish-orange stripes over a yellow background are the signature of this crisp, aromatically sweet, snappy apple. Galas have gained popularity among consumers in the past 15 years. Snacking and salads are primary uses. Gala harvest begins in the middle of August and lasts through early September. Galas are stocked September to May.



Fuji: This immensely flavorful, new variety was introduced to the United States from Japan in the 1980s, but now the United States produces more Fujis than Japan. Each year, this big, super-sweet, crisp apple gains new fans. The Fuji holds its texture when baked. It is known for its hard texture and syrupy sweetness. It is also excellent for baking and salads. Washington's cool weather in the late fall helps develop its reddish-pink color and superb flavor. Fujis are harvested in October and can be purchased October to August.



Granny Smith: Green, extremely tart, crisp, juicy and versatile, they are available year-round. Grannies are a favorite of Washington state pie-bakers. They're also excellent for snacking and salads. Warm days and cool summer nights ensure crunch and flavor for October harvest.



Braeburn: This apple's rich, sweet-tart, spicy flavor is high impact. Color varies from orange to red over a yellow background. Aromatic, juicy and crisp, this apple is very firm. Braeburns are great for snacking and baking. Washington growers harvest the variety in September and early October. Consumers can purchase Washington Braeburns from October through July.



Jonagold: This juicy, orange-tinted apple has a tangy-sweet flavor. It is excellent for fresh eating, cooking and makes a great pie. Washington's warm dry summer and cool fall ensure that the delicate flavor develops fully for September harvest. Produce sellers stock Washington Jonagolds from September through April.



Cripps Pink: Firm, crisp flesh and a unique, tangy-tart, sweet flavor are characteristic of this apple. Snackers and bakers give the variety high marks in consumer tastings. Cripps Pink is the last apple harvested in Washington state in late October. Crisp fall nights bring on the bright pink color that gives the apple its name. Supplies of Cripps Pink last from November to August.



Cameo: Sweet with a zingy crunch, Cameo holds its texture for long periods. Look for the variety's characteristic white spots on the skin. The variety was discovered as a chance seedling in a Washington state orchard in the 1980s. Cameos are harvested in September and October. Available October to August.

Source: Washington State Apple Commission

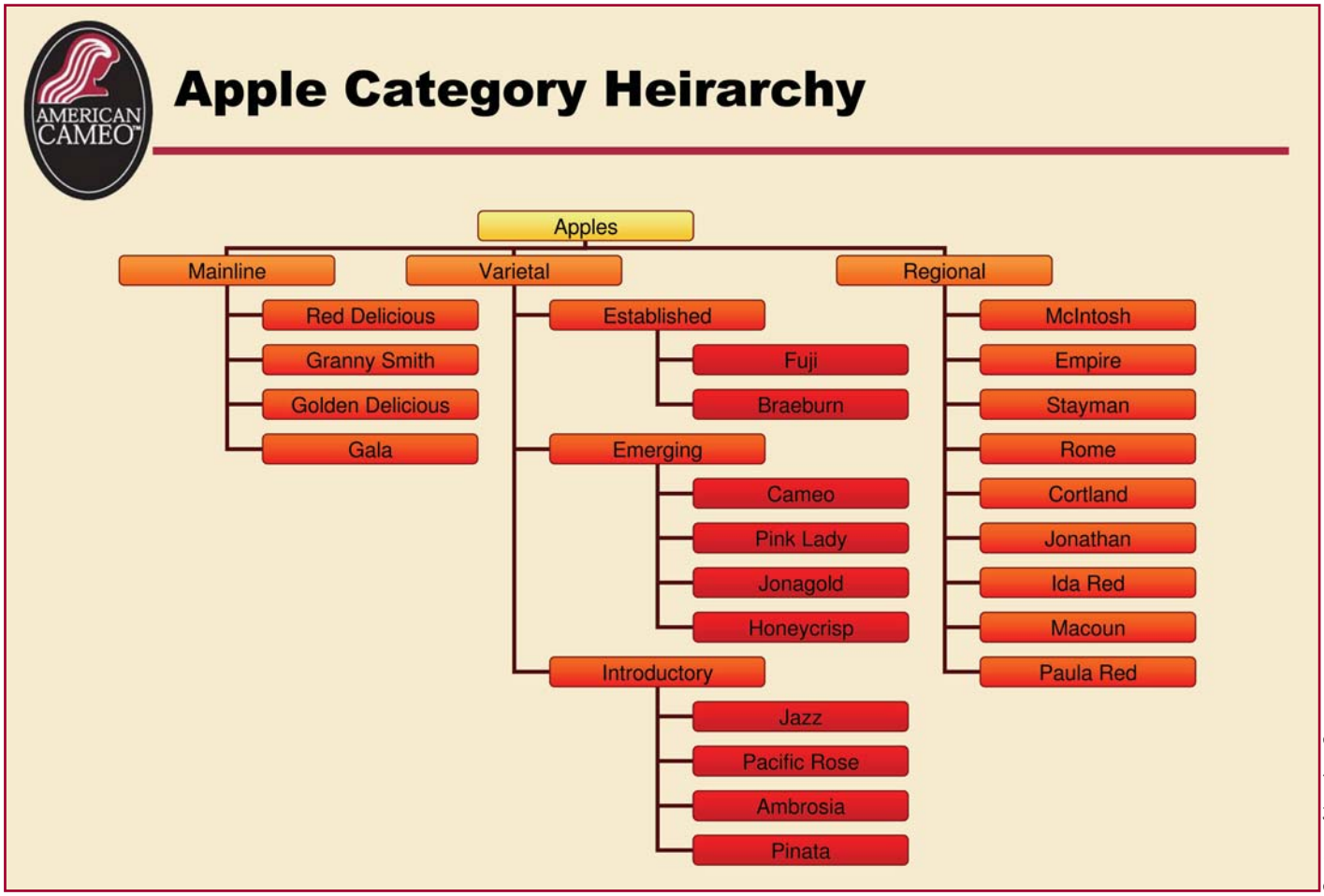


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Reader Service # 69



Courtesy of American Cameo

Suppliers Suggest Marketing Tactics

Suppliers recognize the challenges involved with an ever-expanding apple category and offer some ideas for managing it.

"It's a difficult juggling act for retailers because they have only so much display space," says Bob Mast, director of marketing for Columbia Marketing International (CMI), Wenatchee, WA. "Color breaks are a huge key." He and others also recommend signage that stands out and uses high-quality graphics to tell the story about a new variety being introduced — where it is grown, how it tastes and suggested uses.

Randy Steensma, president of Nuchief Sales, Wenatchee, WA, sees opportunity in the limited volumes of the newer varieties. "You can rotate that same rack space for four to six weeks at a time and you can end up going through eight different varieties that are all new varieties. Market the apple at its optimum eating experience and let the consumers know it's a seasonal deal."

"We know that the larger the display, the more apples per visit the consumer will purchase," adds Loren Queen, marketing and communication manager for Domex Superfresh Growers, Yakima, WA. "If you have small or limited displays, limited to the major long-standing varieties, you're just not going to have the pull-through with consumers."

Citing a study by U.S. Apple Association, Vienna, VA, Suzanne Wolter, director of marketing for Rainier Fruit Company, Selah, WA, encourages marketing to moms. "Mothers recognize apples as convenient and incorporate them into their lifestyles because compared to other foods, they see apples as portable and less perishable, making them good options for lunches, snacks for the kids and an alternative to high-calorie foods for themselves," she relates. "So retailers and the apple industry need to do a good job of getting that information out to moms." She believes mothers need and want to be educated and reminded about the health benefits of apples, and those messages need to be simple and easy to understand. **pb**

Continued from page 42

going to diminish a lot more." He says the new varieties like Gala and Honeycrisp benefit Red Delicious by providing an earlier revenue stream and therefore allowing the Red Delicious to hang on the tree and mature properly.

VARIETAL MOVERS AND SHAKERS

The hottest of these upcoming brands and varietals appears to be Honeycrisp.

"The one apple the consumer is responding to in the biggest way is the Honeycrisp," according to L&M's Tudor. He sees that response in numbers, in consumer reaction when they sample them and from his retail partners who tell his company they have customers coming in and asking when Honeycrisp will arrive.

"The one that has really had the impact is the Honeycrisp," agrees Suzanne Wolter, director of marketing for Rainier Fruit Company, Yakima, WA. "The enthusiasm around this particular variety still continues. Most retailers that we deal with experienced tremendous sales growth last year." Behind Honeycrisp she lists Gala and Fuji as the having best potential for increased sales.

"The Honeycrisp has been a hit," adds Jack Armstrong, senior buyer for Bashas' Inc., based in Chandler, AZ. "We've been



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selling it for three or four years and it's gotten an awful lot of publicity and has become extremely popular. They aren't growing enough of them."

Others in the varietal subset of the category, such as Ambrosia, Cameo and Pink Lady, are continuing to build both volumes and customers.

"Our latest and greatest is the Ambrosia apple," proclaims CMI's Mast. He is expecting more than 100,000 cartons this year with a huge boost in volume next year. A lot of trees will come into production and will double the supply.

Precht says Cameo apples will fill about 1.3 million boxes this year, a slight dip from 2006. "Even though the overall Washington crop is down significantly, over 10 percent, our crop really has not changed that much so it makes for a great retail opportunity," he notes.

"We're seeing pretty sizeable increases in production and trees going into the ground," according to Pink Lady's Taylor. "Just in rough numbers, California produces around 400,000 to 500,000 boxes and Washington is at two million boxes."

"There's 19.2 percent growth in the



emerging sub-segment and very significant dollars per store, per week," says Precht. "It's that group of varieties that's really driving the future of the category right now." He recommends promoting on a consistent basis with eight apple ads per quarter and including the emerging varietals in half of those. He emphasizes co-promoting these varietals with mainline apples like Red and Golden Delicious and says inclusion of them in the fall ads is important for generating lift throughout the year for the total category.

Promotional opportunities for these varietals include tying in with large marketing programs. Since L&M became part of the Disney Garden program, says Tudor, it has partnered with retailers to test sales response on a specific apple and garnered exceptional lift. "It worked so well that one particular chain is going to go with the Disney Garden across the whole apple category," he reports.

Bashas' Armstrong previously tried the 3- and 5-pound net bags but they did not do much for sales. When he tried them with the Nickelodeon theme, however, he saw a difference. "My orders on bags are much greater now. Nickelodeon association seems to have helped my small apple sales in those bag sizes. I'll bet that in a lot of them I'm running 20 percent a week over what I did the year before with an everyday price." **pb**



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Product Focus: Plantains
Target Ethnic Group: Hispanics, African-Americans and Asians

WHAT IS YOUR TARGET ETHNIC MARKET? WHAT OTHER SEGMENTS ARE YOU TARGETING?

Currently, Turbana is marketing plantain and exotic products not only to Hispanics, African-Americans and Asian populations originating from countries where plantains are consumed but also to mainstream Americans, due to extensive travel and food channels.

Nearly 31.6 percent of the U.S. population is Hispanic, Asian-American and African-American. The projected percentage of these groups in the year 2010 is 33.2 percent.

Retailers should embrace these groups with a combined 1.9 trillion dollar buying power (2005).

WHAT PRODUCTS ARE YOU DIRECTING TO ETHNIC CONSUMERS?

Turbana is the leading importer of plantains, and we also offer Baby, Red and Manzano exotic bananas to our customers, as well as, pineapples.

We recently developed a 20-pound variety pack box. This is a mix of Manzano and Red bananas. They are delicious and a great way to get people interested in exotic bananas so they can enjoy our top quality Red bananas, with a hint of raspberry, and our Manzano bananas, with a nice kiwi-banana-citrus taste.

Turbana is in the process of broadening its product mix.

HOW DO PRODUCT PREFERENCES DIFFER AMONG SEGMENTS?

It is very important to understand that it is not productive to group all ethnic consumers together. It is key to look at each group separately because of different wants and expectations. For example, depending on the consumer's country of origin, the demand for stages of ripeness of plantains changes.



DISCUSS SUPERMARKET BUYING HABITS AMONG YOUR TARGET CONSUMERS.

As a whole, Hispanics tend to shop more often than mainstream American consumers, eating at home more often, preparing more meals from scratch and using larger amounts of fresh produce.

Hispanics also spend 30 percent more on fresh fruits than mainstream consumers, their basket sizes are larger and they tend to make shopping a group or family activity.

If you are able to attract these groups to your store, they will purchase more than just your tropical products.

WHAT ADVICE CAN YOU SHARE ON DISPLAY TACTICS?

Since plantains can be prepared and eaten in various stages of ripeness, supermarkets can double their plantain sales by offering both green and ripe plantains.

CAN YOU PINPOINT KEY MARKETING STRATEGIES?

Use tropical fruits as the tool to capture as much of the total food dollar as possible.

In order to capture these ethnic shoppers, it is important to reach out to these communities and make the supermarket employees look like their neighborhood.

Hiring bilingual employees and being involved in the community also builds upon goodwill, as does educating staff members about the culture and values of their customers.

Introducing ethnic elements to the store, such as bilingual signage and in-language advertising, makes your ethnic group feel at home in your store.

We provide bilingual signage to our customers for plantains and exotic bananas. We offer our customers POS informational materials.

Another great educational tool for the plantains are recipe stickers. When the shoppers purchase the plantain, there is already a simple recipe for them to follow, so any first-timer is guaranteed success.

We also have recipe booklets containing a variety of plantain recipes, which include photos, for preparation of both the green and ripe stages. Many shoppers, after having enjoyed the recipe on the sticker, call to request our free recipe booklets for more ideas.

WHAT ARE THE BIGGEST CHALLENGES TO ETHNIC MARKETING?

The challenge when trying to capture an ethnic market is to know the relevant demographic makeup of the surroundings of the store.

Supermarket involvement in the community has proven to be an important factor when marketing to ethnic groups.

WHERE DO YOU SEE UNTAPPED OPPORTUNITIES?

The size and purchasing power of this group (1.9 trillion dollars in 2005) and the fact that one of every three Americans in 2010 will be of ethnic descent make catering to this underserved group a huge opportunity to capture as much of the total food dollar as possible.

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Wrap Up Extra Profit With Fresh Gift Baskets

Despite staffing and storage challenges, gift baskets can have substantial profit margins.

BY AMY SHANNON

Whether you are seasoned in maintaining gift basket programs or you are green to the idea, it is important to consider the profit potential gift baskets can supply.

Michelle Schuster, vice president of Jetram Sales, a St. Louis, MO-based supplier of floral and fruit gift packaging materials, says there is a variety of ways retailers can capitalize on gift basket sales.

"We're seeing a lot of grocers selling bigger baskets and incorporating higher-end items like expensive nuts, wine, crackers and sausages," she notes. "That means bigger and better sales."

According to Richard Knutson, CEO of Basket Ease, a Prior Lake, MN-based supplier of fruit gift packaging materials, gift baskets have an estimated gross profit of about 50 percent depending on the size of the basket. "It's a highly profitable item with a high-dollar sale," Knutson says.

David Prouty, director of special packaging for C&S Wholesale Grocers, Inc., based in Keene, NH, believes many retailers are going more upscale. "Gift baskets used to retail for $10.99, but now we're seeing some that sell for up to $100."

Mike Maxwell, president of Procacci Brothers, Philadelphia, PA, estimates gift baskets filled with high-priced items average about $50 each. "That's a nice ring for the produce department," he says.



UNIVERSAL GIFTS

One of the most appealing aspects of gift baskets is that they are nearly universal, appealing to a large group of consumers.

"Everyone eats," Jetram's Schuster says. "And people are always looking for gifts to give."

Cheryl Thompson, packaging specialist for Willow Specialties, Batavia, NY, agrees, citing gift baskets' broad appeal and the reason why she believes "gift baskets are making a huge comeback."

"What do you buy Uncle Joe who has everything that money can buy, but he can't eat cheese or candy and all those things that people want to give him, including wine and liquor?" Thompson asks.

Schuster believes fruit baskets are becoming more popular simply because consumers are becoming more health-conscious.

Stephen Paul, principal, Bouquet of Fruits (BOF), a designer, manufacturer and fulfiller of custom-designed fruit gift baskets in Fresno, CA, agrees, "Giving a basket of fruit promotes a healthy lifestyle and that's what's important to people nowadays."

To emphasize gift baskets' universal appeal, Schuster says retailers should consider marketing them around holidays other than Thanksgiving and Christmas.

Maxwell believes consumers like to see gift baskets that are applicable for a wide variety of occasions, such as birthdays, Valentine's Day, Mother's Day, Father's Day, Super Bowl Sunday, cookouts or to send to someone in the hospital. "The possibilities are endless. Retailers can draw in a lot of business, if they think outside the box."

TALE OF TWO APPROACHES

Some experts believe the pendulum is swinging toward more retailers opting to make gift baskets on the premises rather than stocking display shelves with ready-made baskets.

"For a while, retailers were trending toward getting baskets pre-made," says Basket Ease's Knutson. "But now it's reversing and more retailers are going back to store-level programs."

BOF's Paul says this tactic makes sense for some retailers, particularly smaller chains or stores that target a higher-end market. "They definitely want control," he says. "They're also concerned about protecting their image." In-store gift basket programs

Gift Baskets Tough Sale For Some

Although gift basket programs present an array of opportunities for retailers to cash in, some grocers are opting not to carry the potentially lucrative items.

Stephen Paul, principal, Bouquet of Flowers, a designer, manufacturer, and fulfiller of custom-designed fruit gift baskets in Fresno, CA, believes shrink may have something to do with it. "If they're not getting the ring on the item, they're not going to do it," he says. "They may feel their space is better allocated for something else."

David Prouty, director of special packaging for C&S Wholesale Grocers, Inc., Keene, NH, notes some retailers may give up a gift basket program if they have had a bad experience. "I had one customer that ordered too many baskets one year, and they didn't all sell," he says. "That can put a sour taste in your mouth."

Cost of labor is probably the biggest reason why some chains do not have a gift basket program, says Richard Knutson, CEO of Basket Ease, a Prior Lake, MN-based supplier of fruit gift packaging materials.

Max Maxwell, president of Procacci Brothers, Philadelphia, PA, suggests retailers short on labor should consider outsourcing as a promising alternative to in-store gift basket programs. **pb**

tend to be more profitable for small independent chains that want to provide hands-on service to customers on a daily basis, he claims.

In terms of a reason behind the trend, Knutson believes consumers are demanding a more attractive product with a greater variety of fruit — and in-store gift basket programs may have an edge over outside suppliers in this area. Retailers with in-store gift basket programs can offer consumers fruits with a shorter shelf life, such as bananas and grapes, whereas suppliers must often stick to hardier fruits, such as apples, oranges and grapefruits.

Jim Johnson is a salesperson and head of fruit basket sales for Wholesale Produce Supply Company (WPS), Minneapolis, MN, which sells fruit baskets to other wholesalers and to companies with their own distribution centers. While recognizing suppliers cannot offer retailers the same variety of fruits that in-store programs can, he says suppliers can make up for this by using fancier baskets and wrapping.

For instance, WPS manufactures six types of baskets embellished with rope, metal or other materials. "We've gone a little high end on our containers to make our products a little more attractive and unique," Johnson explains. "I was once told that consumers will buy a gift basket if it's got value once it's empty."

He says little extras like this can work to the advantage of retailers who may not have the manpower to maintain an in-house gift basket program.

Procacci's Maxwell agrees outsourcing is a good option for retailers if they cannot afford the time and money it takes to run in-house gift basket operations. "Ideally, they would love to do it themselves, but the reality is that they can't," he notes. "A customer may come in looking for a basket, but there may not be anyone available to spend 30 minutes putting one together."

If retailers are too short on labor to maintain a productive in-store gift basket program, some suppliers suggest they take advantage of tools and programs that make the process easier.



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Willow Specialties' Thompson says the packaging materials supplier offers retailers a stacking tool to make gift basket production more efficient.

"You can literally make 500 baskets in a day with no problem," she says about the Will-O-Rack, which has been on the market for about one year. "Two to four minutes of labor per basket shouldn't be a problem."

Beyond labor support, he says a lot of stores do not have the space to store bulky baskets and other materials, such as bows, shred and wrap. Outsourcing can help save valuable storage space in smaller stores.

Not all stores can provide the miscellaneous items consumers may request in their baskets, he adds. In these cases, it may be more cost effective for retailers to work with a supplier to find out exactly what consumers are looking for and what will entice them to buy, Maxwell adds.

Still, it is also important to factor in the various costs involved with outsourcing, such as labor and shipping. Moreover, even if retailers opt to outsource gift baskets, they will probably still want to keep some basket-making material in stores for customers who want a customized product.

In terms of which approach may be most cost-effective, Greg Watson, CEO of Watson Trading Company, Hillsdale, MI, says in-store programs can give retailers better control of how much food goes into the baskets. For retailers that do not have the manpower to offer a year-round, in-store gift basket program but that want to offer customers more customized baskets during the holiday season, Watson suggests these stores consider a combination approach.

"A lot of them use ready-made baskets or a small in-house program throughout the year, but bring in seasonal help to keep up with the holiday demand," he says. Along with the wrapping materials, Watson Trading supplies retailers with how-to DVDs and information packets that can be used to train store employees on how to make gift baskets.

C&S' Prouty adds, "I suggest to all my customers to use us to take care of most of their needs, but I also tell them to keep some of their own signature baskets in store."

TIPS FOR NEWCOMERS

The key to keeping a gift-basket program running smoothly is good planning. This advice particularly rings true for retailers interested in creating a gift basket program.

Retailers should start the planning process as early as September or October if they want to drive up a lot of traffic during the holiday season, say suppliers.

To get the most bang for your gift basket buck, check out these top five expert tips:

1. Give consumers what they want.

"It's an adventure to sit down with a retailer," Procacci's Maxwell says. "Know your clientele, and listen to your customers if they tell you they prefer steak sauce over hot sauce."

2. Stay focused.

"It's got to be exciting," says BOF's Paul. "It can't just be something you're doing because it's the season."

3. Make gift baskets accessible.

"They can't be 12 feet in the air," says Procacci's Maxwell.

Wholesale's Johnson agrees, saying, "There are not many gifts available at grocery stores, and consumers must know they can purchase them when needed."

4. Maintain merchandise.

"No one wants to pick up the last basket, if the display looks shoddy," Maxwell says. "People want something to compare it to."

"They are looking for an attractive gift they can be proud to give," Knutson relates. "That's why you want an attractive, fresh presentation."

5. Be creative.

"Your only limitation is your imagination," Maxwell says. **pb**

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Reader Service # 36

RETAIL PRODUCE PROFILE

Full Bloom



By Dave Diver
Former vice president of produce at Hannaford and a regular columnist for PRODUCE BUSINESS.

An industry insider offers a personal take on Food Lion's innovative concept stores.

In early 2004, Food Lion LLC, based in Salisbury, NC, sparked supermarket industry curiosity by opening a concept store directed at satisfying the needs of consumers interested in convenient take-out foods; until then, little had been accomplished within the industry to satisfy this growing niche engendered by lifestyles that were becoming increasingly time-compressed.





For two years preceding the opening of this new type of food store, an international consumer research group studied customer behaviors, wants and needs. The unit was then designed from a shopper's perspective – with an intuitive layout to take the hassle out of shopping and make the trip fun and easy.

Salisbury, NC-based Bloom, as the new concept store is known, was especially compelling because it meant that a retail organization known for low prices with primarily blue-collar shoppers would be embarking on a cutting-edge idea. Equally important to the implementation of this marketing objective was the competitive pressure accumulating not only from big-box Wal-Mart but also from other competitive retailers that were also reducing margins.

How would the offering for fresh fruit and vegetables fare in such a setting? Only direct observation would satisfy my interest and within several months of its opening, I visited the initial Bloom, converted from a Food Lion located in the northern outskirts of Charlotte, NC. It was immediately obvious that any resemblance to the Food Lion predecessor was strictly coincidental.

Upon entering, customers encountered TableTop quick in-and-out foods. Convenience was the focus for shoppers primarily interested in a meal requiring little or no preparation.

The display fixtures for produce were relegated to a center-of-the-store aisle behind the sizeable prepared-food section, hardly a position for eye-catching impulse shopping. And definitely not the fresh fruit and vegetable presentation consumers were accustomed to finding in most stores. I had to wonder how produce sales would fare – along with the store itself – as additional similar layouts open in the Charlotte area.

It did not take long to reach a conclusion. In less than three years, a new Bloom configuration – totally unrelated to the parent – has opened with five stores built from the ground up in the Greenville, SC, area. Greenville is in suburban northwest South Carolina.

At the Produce Solutions Seminar sponsored by Newark, DE-based Produce Marketing Association this past March in Charlotte, NC, I learned the project manager for this new development was Hans Lefebvre, whom I had the opportunity to work with for a short time at Hannaford Brothers Company, based in Portland, ME, when he was a produce merchandising specialist. During the intervening years, Hans has combined his experience in the supermarket business with his interpersonal skills to become director of merchandising and training for the Bloom stores.

Aware of the original Bloom store configuration, I also visited a recently opened Food Lion to use it as a comparison. Although the new Food Lion had overall departmental layout similarities to the new



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Bloom, the rest is a night-and-day difference.

The first impression I got when stepping into the new Bloom is that this is the beginning of an intriguing shopping experience. The color and quality of the fresh fruit and vegetables make me feel it is time to forget the shopping list. It is much more of a "Let's just browse and see what items might fit into my upcoming meal plans" experience. In addition, if I wanted to mark a special occasion or decorate with fresh flowers, a reasonable display was located near the front of the store entrance adjacent to produce.

TableTop, which provides restaurant-quality meal-solution takeout and bakery for those consumers who had been the object of the initial Bloom thrust, was clearly visible from the store entrance at the edge of produce. Grab-and-go food shoppers can easily and conveniently satisfy their needs while at the same time be exposed to the impulse of Bloom's fresh fruit and vegetables.

A Stunning Produce Department

Almost by default, the mixing of the fruit and vegetable presentation adds to the perception of variety and quality. There is no single fruit section, no single vegetable grouping. Within only a few steps, there are a multitude of product categories with tables arranged at varying product heights.

And everywhere, there are those wooden Bloom crates – all with light colored wood, the Bloom name and untold numbers of tie-in items. There is no question that fresh, uncut produce is beautiful, but to really stand out, it requires a contrasting background. After only a few moments in the department, customers realize they are standing on a tile floor that looks like hardwood, a perfect contrast to nature's bounty.

In keeping with the goal of projecting freshness and quality, all the fresh-cut fruit on display is prepared in-store daily to provide the most natural flavor and longest lasting product for the consumer. It is definitely more labor intensive, but several upscale Southeast retailers, such as Greensboro, NC-based Fresh Market and Lakeland, FL-based Publix, are following similar procedures. Just what have they learned about making consumers happy and growing profits?

Whenever I shop, two of the most disturbing situations I encounter are lack of pricing information and product information for items not frequently consumed. At Bloom, few if any items lack this necessary information. Additionally, *Dr. Richter's Fresh Produce Guide*, published by Apopka, FL-based Try-Foods, adjacent to a table near the wall case offers more than adequate information for the most discerning consumer.

THE FIRST IMPRESSION I GOT WHEN STEPPING INTO THE NEW BLOOM IS THAT THIS IS THE BEGINNING OF AN INTRIGUING SHOPPING EXPERIENCE.

The organic produce section in this Greenville store undoubtedly meets the needs of its clientele. A knowledgeable store associate always seemed to be nearby, ready to offer product information or receive a request to carry an item not currently being stocked. There are stores in larger, more affluent metropolitan areas with greater variety, but in contrast to most supermarkets in the 35,000- to 40,000-square-foot range, the variety at Bloom should accommodate nearly everyone's needs.

A Total Experience

Bloom does not appear to be about any one department, although produce offers the most important first impression. On the contrary, this is an ideal shopping experience for today's perishables shopper. Walking from the front to the rear of the store – in addition to the previously mentioned departments – I encountered fresh meat and seafood. Wine, self-service deli and Nature's Place are in adjacent areas, often with "boutique" space organization. The consumer finds variety and convenience in a bright, cheery setting that banishes what for most supermarket customers has become a boring yet necessary chore. If I found anything that needed a punch of excitement and quality, it is the exterior front, which needs to be more colorfully inviting to coordinate with the atmosphere inside the store.

For those consumers who dread checkout lines – both service and self-service – the Scanning is a Breeze technology allows them the opportunity to scan items while shopping and pay prior to leaving. Elsewhere, a separate kiosk provides information regarding item locations, recipes, price, wine selection and other services.

One thing is certain – this is not a unit to compete for the Wal-Mart customer. The ambiance is so upscale that low-price shoppers will not believe it could be price competitive. But for those looking for service in perishables, variety, quality and convenience, Bloom provides a competitive model that can compete for the billions of dollars not going to the big-box stores. Obviously Bloom – with its Brussels, Belgium-based Delhaize Group parent – is aware of the need to identify with its consumers' wants, especially now that Hertfordshire, U.K.-based Tesco is making its entrance into the U.S. marketplace.

Perhaps, as some say, the supermarket of yesterday is a dying breed; but then again, some of these new offshoots may be exactly what the current lifestyle consumers find attractive.

High-quality, fresh foods, superior service, deep variety and helpful technology make shopping a breeze. With intelligent implementers like Hans Lefebvre, vice president James Egan and president Rick Annicetti, this latest Food Lion generation is in full Bloom. **pb**

Five Ways To Spur Mushroom Sales

Consumers love mushrooms but can be overwhelmed by them.

BY CAROL M. BAREUTHER, RD

Can a produce item be so versatile that it overwhelms consumers? Can the item's greatest strength also be its major weakness? The answer to both these questions is yes, according to Kevin Donovan, national sales manager for Phillips Mushroom Farms, Kennett Square, PA. "The challenge and opportunity of mushrooms is their versatility, but because of this, consumers don't have any clear consistencies about what to do with them."

Nearly 20 million U.S. consumer households purchase mushrooms, but on average only twice per month, according to the Mushroom Council, San Jose, CA. Even so, consumers say they like mushrooms and can list many uses for them in cooking.

Mike Kemp, director of produce for Save-A-Lot, a 1,252-store chain based in St. Louis, MO, and a subsidiary of Supervalu, Inc., based in Minneapolis, MN, is a retailer who sees a lot of room to grow the category. "Speaking as an industry veteran, I see the mushroom category as growing. It's a solid performer on both sales and profits."

1. BUILD ON THE BASICS

White mushrooms dominate the category. Indeed, an 8-ounce packaged white mushroom is the only mushroom SKU carried in all the limited assortment Save-A-Lot stores. "We also stock sliced portobellos in stores in certain areas of the country. They tend to do better in rural and suburban areas rather than inner city," explains Kemp.

[*Editor's note: PRODUCE BUSINESS uses the spelling portobello unless a branded item uses a different spelling.*]

Brian Gannon, director of produce and floral for the 49-store Springfield, MA-based Big Y Supermarkets, sees a similar tendency. "Overall, white mushrooms still dominate in sales, followed by brown mushrooms and exotic mushrooms a far distant third."

However, he adds, "The largest increase in the category has been with the brown portobellos, and within this sub-category, the cremini or 'baby bella' is the driving reason for the increase. Like everything else in produce, you find customers gravitating toward flavor, and that's what you get with the brown mushrooms — more intense flavor over the white mushrooms.

Marvin Lyons, produce director, Bigg's, an 11-store chain based in Milford, OH, and a subsidiary of Supervalu, notes, "We'll stock more of the portobellos and baby bellas during the summer season for grilling."

In some markets, says Joe Caldwell, vice president, Monterey Mushrooms, Inc., Watsonville, CA, "Sales of brown mushrooms for the first time have exceeded 20 percent of the category. The growing interest in them gives retailers an opportunity to 'trade up' their customers to a higher-margin item."

2. ADD UP-AND-COMERS

While the white mushroom segment is staying relatively flat, explains Steve Lutz, executive vice president of the Perishables Group, W. Dundee, IL, "All other segments are consistently increasing in dollar and volume sales compared to a year ago, especially the brown, organics and specialty."

"The largest volume specialty mushroom is the shiitake, followed by the oyster," notes Caldwell.

"There's more interest today in maitake, pom pom, beach and royal trumpet. Maitake and pom pom together make up about 3 to 5 percent of category sales, which is small, but they are a substantially bigger ring than white mushrooms," Donovan adds.

Lyons agrees, noting Bigg's now brings in morels and chanterelles during their season.



More sophisticated consumers want exotic as well as white mushrooms.

In the future, says Linda Pizzini Johnson, owner and president of Leone Pizzini & Son, Inc., Landenberg, PA, "I foresee porcini mushrooms becoming more popular, especially if we can find a way to cultivate them. They're big in Europe."

The driver of this demand is the 'what else' factor, says Mushroom Council president Bart Minor. "Mushroom consumers today are knowledgeable, sophisticated and interested in cooking. They enjoy going beyond the basics and trying less popular mushroom varieties. This diversity is necessary in order for the category to grow."

3. OFFER CONVENIENCE

Kemp is considering adding a second core mushroom SKU at Save-A-Lot stores. "We're looking at an 8-ounce sliced white mushroom. The sliced segment has grown in popularity and volume over the years, primarily due to convenience."

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Reader Service # 5

Take A Cue From Foodservice

Mushrooms are ubiquitous on restaurant menus today, and foodservice set the trends for retail. Twenty-one percent of mushroom mentions over the past year have been portobellos, according to Food Beat, Inc., Wheaton, IL, which surveys menus of the top 200 chains. For example, Jason's Deli, a 150-unit-plus chain based in Beaumont, TX, introduced a Grilled Portabello Wrapini. The Rock Bottom Restaurant & Brewery, a 29-unit chain based in Louisville, CO, added a Grilled Portobello & Fontina Melt this year.

Big Boy Restaurants International, a 455+ unit chain based in Warren, MI, uses white mushrooms in its Pasta Florentine Alfredo. The Mushroom Omelet served at the 100+ locations of The Original Pancake House, Portland, OR, uses fresh white mushrooms in the filling and the sherry sauce served on the side.

"A recent survey from the National Restaurant Association [Washington, D.C.] found exotic mushrooms were in the top 15 rated 'hot' items and in the top five rated vegetables," notes Curtis Jurgensmeyer, CEO, J-M Farms Inc., Miami, OK, and chairman, Mushroom Council, San Jose CA. "Mushrooms scored high on the list of ingredients that are 'perennially hot'.

Chefs have influence that extends beyond the restaurant. "Everyone's looking for the next portobello. I can't tell you what that will be, but I can tell you to push whatever's hot on the Food Network," advises Alan Kleinman, sales manager, Gourmet's Finest, Avondale, PA. **pb**

Big Y's Gannon agrees. "Pre-sliced white and brown mushrooms have been very popular with customers. These types of SKUs lend themselves to the many people who are looking to use fresh for making meals at home but want to spend less time putting the fresh components together."

Champ's Mushrooms, Abbotsford, BC, Canada, has capitalized on this by introducing a new cut of white mushroom. "Our new Sliced Grillers are ideal for grilling or sautéing as they are large, jumbo mushrooms sliced ½-inch thick. They are very

meaty and easy to handle," explains Harvey Mitchler, director of sales and marketing .

The No. 1 selling mushroom SKU for Monterey Mushrooms is sliced white mushrooms, with sliced brown mushrooms — both portobello and baby bellas — showing the largest single percent increase in sales over the last year, says Caldwell. "We now offer a sliced shiitake, as well, for stir-fries. The fresh, sliced shiitakes are gaining in sales over the dried version."

Taking convenience one step further, Kennett Square, PA-based Oakshire Mushroom Farm, packer of Dole-brand mushrooms, offers stuffed portobello caps. Earlier this year, it introduced a Southwest version with cheese and jalapeño. Other flavors include cheese and bacon, crab, and spinach and cream cheese. Gary Schroeder, president, says, "The stuffed mushroom caps are typically displayed in the value-added case in produce, as well as in a secondary location where the prepared salads, party trays and other items for entertaining are located."

4. SHRINK SHRINK

Shrink is a major concern because mushrooms are so perishable. Oysters and pom poms are most fragile; shiitake, maitake and royal trumpet are among the most robust.

Shrink "varies widely by store. The best performing stores are running around 12 to 14 percent," notes C. Gregory Sagan, senior vice president of sales and marketing, Modern Mushroom Farm, Kennett Square, PA.

The Mushroom Council will conclude a shrink study this summer. "From what we've found so far, it's important to put shrink in perspective," says Minor. "It shouldn't be a goal to have no shrink at all. Some retailers are overly aggressive in controlling shrink and will leave product on the shelf that should really be taken off. This practice can ruin the image of the store. On the other side of the coin, retailers who carry the more obscure mushrooms and don't really have the clientele for them run the risk of a high level of shrink."

Temperature is key, agrees Phillips Donovan. "A 6° rise in temperature above the optimal 34° F can take two to three days off the shelf life of the mushrooms."

Multi-deck refrigerated cases offer good temperature control for mushrooms. However, says Pizzini's Johnson, "I'd like to see mushrooms in refrigerated cases that have glass doors, as in the meat and frozen foods departments. Opening a door might seem to make mushrooms less accessible, but it offers good, steady temperature control."

To control shrink, the Mushroom Council offers these additional tips: Ensure mushroom packages on display are not stacked more than three high to prevent bruising. Ensure vents in refrigerated display cases work properly. Tighten and completely rotate inventory more often in the summer.

5. ADVERTISE AND PROMOTE REGULARLY

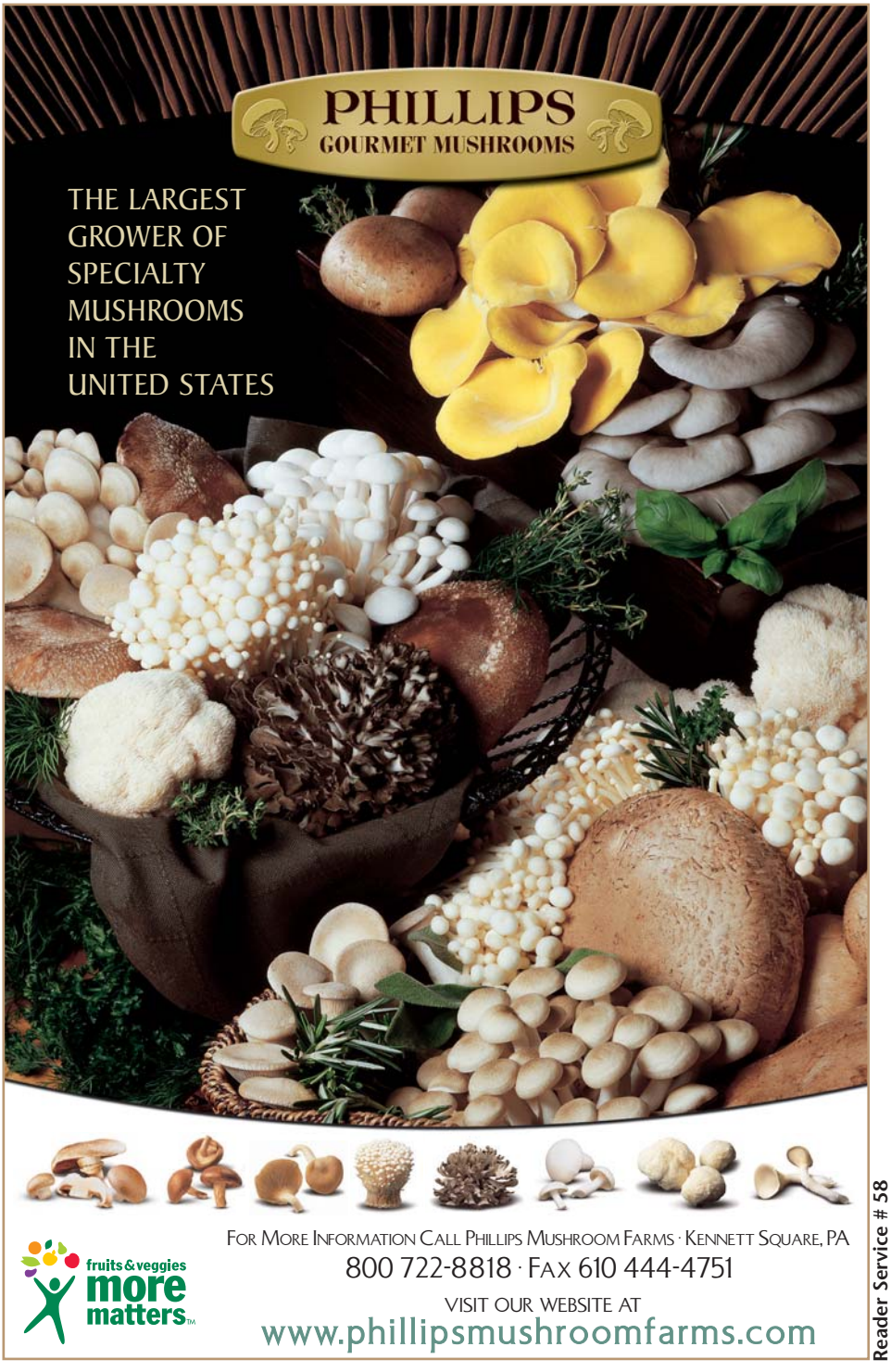
Promotion is key since mushrooms are available year-round and do not have seasonality to perk interest.

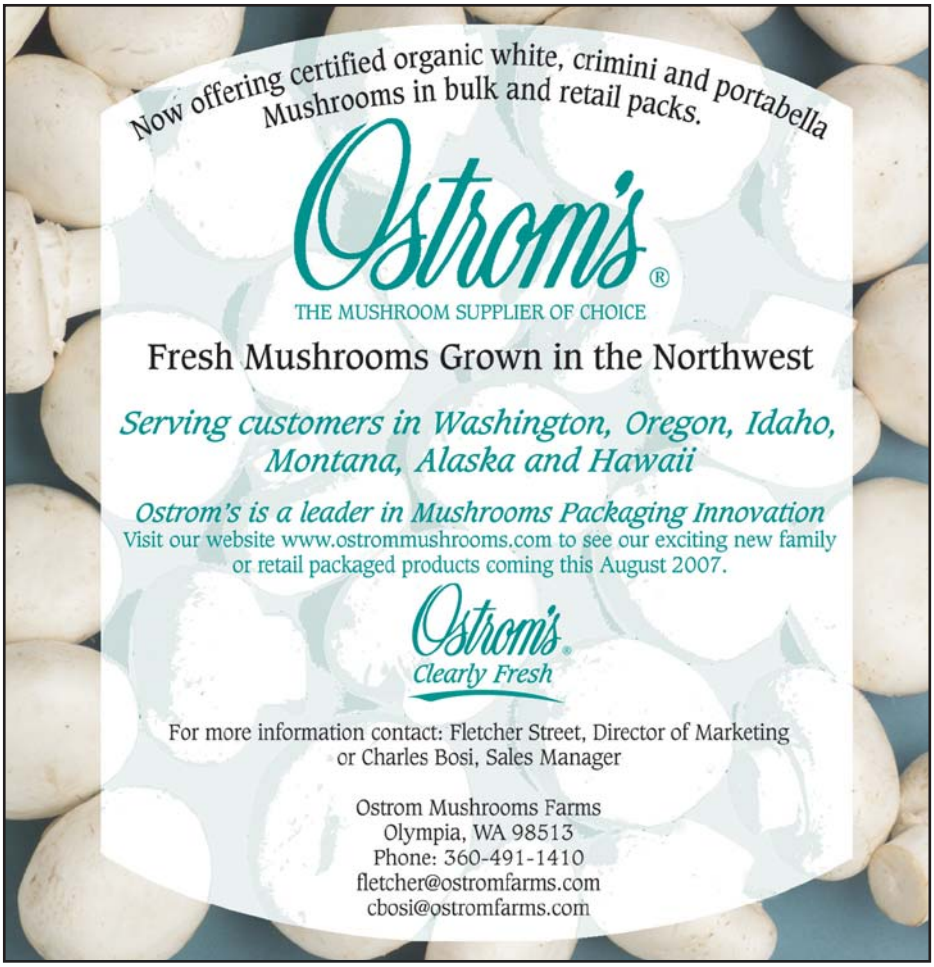
"Based on multiple years developing category best practices, we found the top performing stores promote six times per quarter," relates Lutz of the Perishable Group.

At Save-A-Lot, says Kemp, "We promote mushrooms on price or pop them into our ad. Winter holidays are a time we'll likely put white mushrooms in our ad. In the summer, we'll promote portobellos in certain stores for grilling, either by themselves or to add to burgers."

White and brown mushrooms are advertised together at Bigg's, notes Lyons. "We'll do, for example, an 8-ounce white mushroom along with an 8-ounce brown at the same time and for the same price. This encourages trial."

Oakshire's Schroeder cautions that some





Reader Service # 27

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Reader Service # 26

Meet Melissa

As part of its $3.4 million marketing plan for 2007, the Mushroom Council, Dublin, CA, is personalizing its approach to today's mushroom buyer. Chicago, IL-based Edelman, the Council's public relations agency, has created Melissa, a fictitious persona who embodies all the attributes credited to the target mushroom consumer.

Bart Minor, Council president, explains, "She's 35-plus, married and has a real love for life. Her passion for healthful living and a keen interest in the food she eats make her a loyal consumer of fresh produce, and she really loves mushrooms. As a busy lady who may have a family to look after or a hectic career, she still finds time to keep fit, probably at a local fitness club, and to enjoy creating tasty meals for the family. She really values things that are down to earth and full of simple goodness. There are more than 43.4 million Melissas in the United States."

Targeting Melissa and enticing her to buy are focal points of this year's consumer advertising, promotional and public relations programs. "Every produce executive should cater to this consumer, to Melissa," notes Minor. **pb**

retailers "get in the rut of promoting only the 8-ounce white mushroom SKU. One, this is often the most popular SKU and doesn't necessarily need promoting. Two, it's good to mix up ads throughout the category in order to expose consumers to more variety and, hopefully, trade them up to higher-margin items."

Modern Mushroom's Sagan agrees. "We advocate frequent and balanced promotions. Balance means offering promotions on all six subcategories and all items in the category."

Place ads prominently, advises Champ's Mitchler. "Mushroom ads should be used on the front page of flyers more often to hook shoppers into the store and the produce section."

A price reduction need not be part of the promotion, according to Monterey's Caldwell. "The idea that promotions draw attention can be enough to boost sales. If price is part of the promotion, deep discounts aren't necessary. A 15 percent discount can still earn a good lift." **pb**

pbh
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fruits & veggies more matters

Increasing Onion Sales

Many traditional and non-traditional avenues are available to help retailers sell more onions.

BY LIZ PARKS

Because of their versatility and flavor, onions are a basic ingredient in virtually every ethnic cuisine in the world. Storage onion sales have always been brisk; sweet onion sales are showing strong growth, now that they are available year-round and well-supported with advertising and promotions.

Onion consumption in the United States has risen 70 percent in the last two decades, according to Kim Reddin, director of public and industry relations for the National Onion Association (NOA), Greeley, CO.

Wendy Brannen, executive director, Vidalia Onion Committee (VOC), Vidalia, GA, says onions represent the third-largest fresh vegetable industry in the country. She praises their versatility and says it is hard to think of a savory recipe without onions in it.



Virtually every ethnic cuisine in the world contains onions, so consumers have many reasons to look for these pungent bulbs.



Photo courtesy of Torrey Farms

Sherise Jones, marketing director, Idaho-Eastern Oregon Onion Committee, Parma, ID, agrees. "I think what makes onions so appealing is that they are so universal. They make great side dishes and are increasingly being used in international cuisine."

Growing consumer interest in home cooking is a driver in the growth in onion consumption. "The demand for onions has gone up, thanks in part to the popularity of all the cooking shows that are on the air. Onions seem to be a fundamental part of just about every recipe, and they're still relatively cheap." says Robert S. Rapasadi, vice president, Isadore A. Rapasadi & Sons, Canastota, NY.

Bob Debruyn, president, Debruyn Produce, Zeeland MI, has seen "a significant increase in the amount of sweet red onions over the last few years." Part of the growth, he feels, is driven by the growing use of red onions in salads, pizza, sandwiches, etc.

Lara Grossman, director of business and marketing development for Spreckles, CA-based grower and shipper Tanimura and Antle Inc. (T&A), agrees. "Consumers are turning to the sweet onion category as their tastes are becoming more refined and adventurous," she says.

One of the hottest trends in the onion industry today, sources say, is the growing use of colorful packages, typically bags holding one to three pounds of onions, to effectively market and merchandise onions at the store and kitchen/pantry level.

Colorful graphics can spell out where the onions were grown and provide easy-to-make recipes; the text often describes some of the unique nutritional benefits of onions. Sometimes the bags feature the image of the grower or a geographic region.

In the case of New York Bold LLC, Oswego, NY, the onion bags feature a cute cartoon chef, Chef Bold. The roly-poly character helps position New York Bold's pungent cooking onions as onions "with an attitude."

OsoSweet Onions, marketed in the United States by Saven Corp., Waterford, MI, uses vibrant colors on its bags and wooden crates to present images of Chile's Andres Mountains, helping shoppers visualize the fields where the sweet onions are grown.

Rapasadi & Sons has added fresh-carry bags for 2-, 3- and 5-pound bags of onions. The bag features colorful graphics and recipes, according to Rapasadi. He calls fresh carry bags, "perhaps the greatest innovation in the onion category for the past 20 years."

T&A prints messages on its bags to suggest types of foods that can be combined with onions, such as salads or soups.

Value-added onion packaging that includes additional ingredients to make food

preparation more convenient is also trending up. This past June, Keystone Fruit Marketing, Greencastle, PA, introduced a ready-to-cook kit to make batter-fried sweet onion rings and petals. The kit also contains a bag of batter mix. "All consumers have to do is add water, milk or beer and cook," notes vice president Kurt Schweitzer.

Later this year, Onions Etc., Stockton, CA, will introduce bags of onions packaged with spices — "the only way to get people to buy more," Derrell Kelso, Jr., president and CEO notes. The company has also created the *Onion Merchandising and Resource Book*, which shows retailers ways to cross-merchandise and display onions as well as provides recipes and nutritional information.

Many growers and packers are now offering point-of-purchase informational selling aids as well as informational brochures, recipes and recipe cards to help market onions both at the store level and direct to consumers.

Grossman believes making recipes and product information is key to moving onions out of the produce department. "It's up to retailers and growers to guide consumers," she says. "Many consumers don't know the steak they eat at a restaurant was cooked with a sweet onion. They don't know the difference and try to duplicate that flavor experience at home."

Jones says Idaho-Eastern Oregon packages fresh onions in smaller bags, such as 3- to 5-pound sacks, in order to attract on-the-go consumers, such as professionals, who may be less inclined to purchase in bulk.

"This also helps the retailer move more onions faster," Jones says.

IN-STORE PROMOTIONAL OPPORTUNITIES

With help from NOA, VOC, Idaho-Eastern Oregon Onion Committee, and Walla Walla, WA-based Walla Walla Sweet Onion Marketing Committee, many growers and packers are now offering point-of-purchase informational selling aids as well as informational brochures, recipes and recipe cards to help market onions both at the store level and direct to consumers.

Schenectady, NY-based Price Chopper and Lakeland, FL-based Publix regularly do product sampling and in-store cooking demonstrations, designed both to entertain shoppers and to show them how easy it is to cook at home, using basic and versatile ingredients like onions.

"It's our way of trying to bring value to the customers and their family," said Maria Brous, Publix director of media and community relations.

NOA distributes educational brochures highlighting the nutritional benefits of onions and recipes picked by the food editors of newspapers around the country. It is currently developing *A Retailer's Guide to Produce*, which will focus specifically on onions, highlighting their growing seasons, where they are produced, the various types, storage properties, merchandising tips and a list of growers and shippers. It should be available on the NOA Web site this fall.



Reader Service # 12

Onions Etc, also offers a wide variety of POP materials. "We call them 'kitchen counter merchandisers' because that's where onions are stored," according to Kelso. "We think of our bags and POP items as 'sensory perception' marketing materials because they appeal to people's senses. You see this technique a lot in the fast-food and casual-dining industries now. There aren't menus anymore. There are just a bunch of pictures. People look at the pictures and when they see one that stimulates their taste buds, they order that."

VOC produces posters that can be hung either over an onion display or placed on the displays themselves, and it has a variety of other POP materials including recipe cards. "Requests from retailers for POP materials are up about 80 percent this year," relates Brannen.

WEB-BASED PROMOTIONAL AVENUES

Growers, packers, NOA, VOC and other regional onion associations have developed recipes many supermarkets are posting on their Web sites, using on their off-shelf and on-shelf displays and including in their ads.

This June, for example, Price Chopper featured a Vidalia onion recipe for a grilled sausage, pepper and onion sandwich, sub-

Iceless Green Onion Sales Continue To Grow

Sales of fresh green onions have been experiencing double-digit growth in both unit and dollar volume for the past several years, according to John Killeen, former vice president of sales and marketing for NewStar Fresh Foods, Salinas, CA.

You re seeing a lot more creative recipes that use green onions in restaurants using green onions, he adds, and a lot more consumers making recipes that feature green onions at home. There s also much more creative packaging in retail that is encouraging incremental sales.

Don Hobson, vice president, sales and marketing, Boskovich Farms, Inc., Oxnard, CA, believes increased consumption of green onions is due in part to more retailers promoting green onions more frequently in part to the availability of iceless packs of washed, trimmed green onions that have created value-added convenience. Retailers love the iceless packs because they can easily set them out on a display, and they have great shelf life.



Because they do not need ice, freight costs are much lower for iceless green onions. You go from about 70 cartons per pallet to 156 per pallet for our 2-by-24-bag packages, which more than doubles the amount of green onions that can be stocked on a pallet , Killeen notes.

With ice, there is a risk that outside elements could harm fresh products. Iceless packages also eliminate the danger of slip-and-fall accidents and the potential for the onions to shrivel if the ice melts or becomes too cold.

The sealed packages protect the onions from being touched, which appeals to many consumers. The bags are also scannable because they have UPC and PLU coding. The shelf life is longer: Iceless bags have a 21-day shelf life versus an average 10 to 12 days for iced green onions. **pb**

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Reader Service # 64

Workplace Disconnects

PMA EDUCATION FOUNDATION

By Cindy Seel, Executive Director, PMA Education Foundation

James couldn't believe what he was hearing.

Sitting in a management training session, the 62-year-old senior vice president listened as the facilitator described the characteristics of today's typical young professional. "Generation Y, or the Millennials," she was saying, "those born since 1980, question everything. They want to be involved in discussions and provide input concerning company decisions."

"Input?! That's ridiculous," James thought to himself. "They don't have enough experience to tell us how to run our company. They need to learn the ropes first."

"The Millennials are ambitious," continued the facilitator, "and they want to move up quickly in the organization. Work is a means to an end, not the focus of life, and they value flexibility when a family need arises." James scowled, thinking of his own career path and the typical produce industry environment — the long hours, the early mornings and weekends spent in the office or out in the fields. What makes these people think they can advance without paying their dues?

After the session, James was angry. No way, he thought should we have to change how we do business just because a bunch of kids want to do things differently.

Does this sound familiar? Do your company's new hires — those in their 20s — have what seem to be unreasonable expectations? Are you having difficulty finding people to fill supervisory and management positions that are willing to "do what it takes"?

The generation of employees now entering the workforce has very different expectations from those that preceded it. Research is showing this generation has great potential, if we can align their expectations with workplace realities. That doesn't mean making young professionals conform to the way things have always been done. Nor does it mean industry veterans have to overhaul company cultures to accommodate them. It does mean that somehow the generations have to meet in the middle.

"Our biggest company challenge right now is acquiring, retaining, and developing people to sustain our growth while meeting customer expectations," says Bud Floyd of CH Robinson, "all in an atmosphere of intense competition for good people. Part of the challenge is managing the different expectations of the various generations."

Research of Baby Boomer employers and Millennial employees at the University of Texas at Austin (UTA) is proving that workplace disconnects you might be observing are characteristic of the differences between the generations.

Not surprisingly, the study indicates employers want employees who are willing to work hard, have passion for their work, be business-like, understand the company's overall mission, follow company rules and habits, and fit into the existing corporate culture.

When interviewed recently, produce executives cited many of the same characteristics — especially that strong work ethic — as what they seek in potential employees. Integrity, creativity, flexibility, and being a "self-starter" were also frequently mentioned. And, according to Bill Schuler of Castellini Company, "Success in our industry is 80% attitude because the business revolves so much around relationships. With the right attitude, a person can gain industry knowledge and skill."

Millennial employees in the UTA study want to know how their tasks fit into the big picture, and want to make meaningful contributions. They want a positive working environment, quick feedback, and time off to take care of family obligations. They want to move up quickly, or they're likely to move on to the next challenge.

The generation of employees now entering the workforce has very different expectations from those that preceded it.

Researchers could have been talking to 20-something produce employees. Take, for example, Ted Twyman, 24, facilities manager for Greenline Foods' Vero Beach, FL, and Las Vegas, NV, production operations. "The opportunity to make a difference sold me on this job," he said. "I can be creative and inventive; my decisions have impact and I like that. I don't want things to get stagnant."

When asked what he wants and needs from an employer, David Mancera, at 27 a financial analyst for Driscoll's, replied, "Respecting everyone's ideas, regardless of position or experience, is #1. Flexibility is also very important to me. That means letting me try something my way, even if it's not the best way, and providing me with guidance and coaching to help me learn. It also means the flexibility to give me time off to be with my family. I will get the job done, but family comes first."

To attract and retain our next generation of leaders, the PMA Education Foundation suggests:

- Provide challenging tasks with clear expectations
- Offer continuous feedback, two-way communication, and coaching
- Ensure meaningful work; combine corporate goals with social responsibility
- Create flexible work arrangements, allowing balance between work and family
- For a big pay-off, create opportunities for employee access to senior leaders and customers
- To maintain engagement and motivation, provide career paths that include moving to cross-functional roles

The PMA Education Foundation is developing resources to enhance the recruitment, retention, training, and professional development of your most valuable resource —people. In the coming months we'll share with you our progress. Meanwhile, if your company has creative initiatives designed to attract and keep young talent, please share your story with us by contacting me at cseel@pmaef.com.

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Reader Service # 9

Blast from the Past

Idaho Potato Commission Celebrates 70 Years

This year marks the 70th anniversary of one of the oldest organized commodity groups in the United States — the Idaho Potato Commission (IPC), based in Eagle, ID. The IPC is responsible for promoting and advertising Idaho's famous brand and certification marks with consumers, retailers and foodservice operators/distributors.

The IPC was founded on May 10, 1937, during the latter stages of the Great Depression, as the Idaho Fruit & Vegetable Advertising Commission. The Commission started using advertising on radio and later television when this type of marketing was in its infancy. These promotional efforts were key to the IPC's success in making Idaho potatoes a worldwide household name.

Today, the IPC continues to actively promote this country's top-selling potato. The Grown in Idaho seal, which the IPC introduced in 1959, helped elevate the visibility of Idaho potatoes and has become a symbol consumers look for when purchasing potato products.

The IPC has created a special 70th anniversary logo that will appear on packaging, promotional materials and in various communications and promotions throughout the year. A 2007 12-month wall calendar, with historical photographs and the new logo, is available from the IPC. [*Unless otherwise indicated, all photos courtesy of the Idaho Potato Commission.*]



In 1960, men and women worked together in packing facilities. Heavy 100-pound bags of U.S. No. 1 Idaho potatoes were packed in burlap and sent out to distributors by size, 12 to 14 ounce. The potatoes in this photo were packed for War Bonnet brand (no longer active) and had the Grown In Idaho certification mark prominently displayed.

Photo courtesy of Union Pacific Railroad

Famous GROWN IN IDAHO® Potatoes

The IPC created a Grown in Idaho seal in 1959 to help consumers identify Idaho potatoes. The current seal, pictured here, is a slightly modernized version of the original seal.

Idaho Potato Commission Celebrates 70 Years



Horse-drawn carts and trains were the main methods of transportation used to ship Idaho potatoes to distributors and retailers in the early 1900s. In this picture, shippers hand-load burlap bags of potatoes onto a Fruit Growers Express Train to get their products to market.



Retail grocery stores often sold 50-pound burlap bags of Idaho potatoes along with magazines during the 1950s. Note the price of 5¢ on the *Every Woman's* magazine display, featuring First Lady Mamie Eisenhower on the cover. Bailey Company's Banner Brand is no longer active.

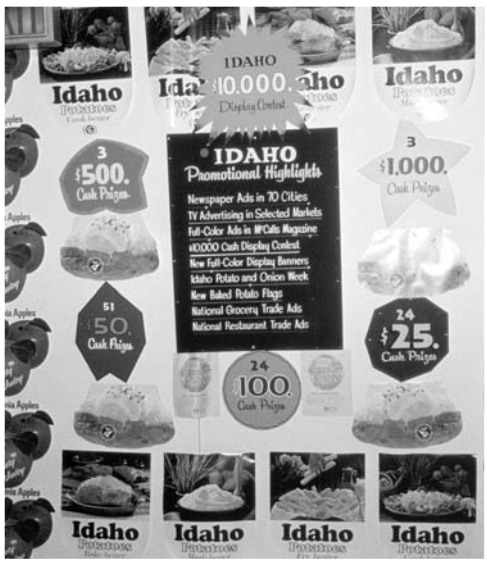






Idaho potato packers developed their own burlap bag designs to show off their products in the 1950s and 1960s. While the designs varied from brand to brand, all designs aimed to deliver the Idaho potato quality message to consumers.

Here are some examples: Best Grown label, packed by Klingler Brothers, Newdale, ID; BakeWell label, packed by Clair Kracaw & Sons, Blackfoot, ID; and Best Net label, packed by New Sweden Produce, Shelly, ID



This IPC poster promoted a retail display contest with a grand prize of $10,000 in 1965. Retailers competed by creating displays using fresh or processed Idaho potato products. The 16th annual Potato Lover's Month Retail Display Contest, an updated version of this original contest, ran during February 2007.

The *Blast from the Past* is a regular feature of PRODUCE BUSINESS. We welcome submissions of your old photos, labels or advertisements along with suggested captions. Please send materials to: Editor, PRODUCE BUSINESS, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail ProduceBusiness@PhoenixMediaNet.com

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Arkansas Tomato Shippers, LLC	68	2	888-706-2400	520-377-2874
ASG Produce, Inc.	69	20	805-981-1839	805-981-1842
Wayne E. Bailey Produce Co.	27	11	800-845-6149	910-654-4734
Basciani Foods, Inc.	60	62	610-268-3044	610-268-2194
Basket Ease	53	73	800-733-3168	800-447-3178
Blue Book Services	91	3	630-668-3500	630-668-0303
The Brings Co., Inc.	72	74	888-274-6472	651-484-8857
H. Brooks and Company	71	29	651-635-0126	651-746-2210
Bushwick Commission Co., Inc.	77	15	800-645-9470	516-249-6047
C&S Wholesale Grocers, Inc.	54	77	860-627-2550	413-247-3978
Cameo Apple Marketing Association	42	13	509-665-3280	773-298-5984
Capay Canyon Ranch	36	32	530-662-2372	530-662-2306
Capital City Fruit Co., Inc.	66	39	515-981-5111	515-981-4564
CF Fresh	39	49	360-855-0566	360-855-2430
Christopher Ranch	37	34	408-847-1100	408-847-0581
Colorado Potato Administrative Committee	79	79	719-852-3322	719-852-4684
Columbia Marketing International	47	21	509-663-1955	509-663-2231
Curry & Company	67	63	800-929-1073	503-393-6085
DeBruyn Produce Co.	66	64	800-733-9177	616-772-4242
Del Monte Fresh Produce	96	38	800-950-3683	305-520-8495
Dole Fresh Fruit Company	13	54	818-879-6600	818-879-6628
Dole Fresh Fruit Company	2	6	818-879-6600	818-879-6628
Dole Fresh Fruit Company	11	53	818-879-6600	818-879-6628
dProduce Man Software	78	52	888-PRODMAN	650-712-9973
Earthbound Farm	36	48	888-624-1004	831-623-7886
East Coast Brokers & Packers, Inc.	95	10	800-557-7751	813-869-9850
Fox Packaging	34	22	956-682-6176	956-682-5768
Fresh Partners AB	75	41	46-8-742-1215	46-8-742-6201
Giorgio Fresh Co.	60	5	800-330-5711	610-939-0296
Global Organic Specialty Source, Inc.	38	75	877-952-1198	941-358-6551
Gourmet's Finest	62	26	610-268-6910	610-268-2298
A. Gurda Produce Farms	66	33	845-258-4422	845-258-4852
Hass Avocado Board	19	44	999-341-3250	
Idaho-Eastern Oregon Onion Promotion Committee	65	12	888-466-4667	208-722-6582
Inline Plastics Corp.	35	65	800-826-5567	203-924-0370
J&J Distributing Co.	75	30	651-221-0560	651-221-0570
JBJ Distributing, Inc.	38	66	714-992-4920	714-992-0433
Kern Ridge Growers, LLC	81	35	661-854-3156	661-854-2832
Kern Ridge Growers, LLC	38	85	661-854-3156	661-854-2832
Kingsburg Orchards	17	47	559-897-2986	559-897-4532
L&M Companies, Inc.	49	50	509-698-3881	509-698-3922
Lakeside Organic Gardens	38	23	831-761-8797	831-728-1104
Litehouse Foods, Inc.	25	56	800-669-3169	208-263-7821
Mann Packing Company, Inc.	9	1	800-884-6266	831-422-5171
Melissa's/World Variety Produce, Inc.	39	67	800-468-7111	323-588-7841
Misionero Vegetables	36	76	800-EAT-SALAD	831-424-0740
New Harvest Organics, LLC	37	4	520-281-0231	520-281-0237
New York Apple Association, Inc.	43	16	585-924-2171	585-924-1629
Ostrom's	62	27	360-491-1410	360-438-2594
Pacific Tomato Growers/Pacific Triple E	37	68	209-835-7500	209-835-7956
Pacific Tomato Growers/Pacific Triple E	69	19	209-835-7500	209-835-7956
Phillips Mushroom Farms	61	58	800-722-8818	610-444-4751
Primavera Marketing, Inc.	69	18	209-931-9420	209-931-9424
Produce for Better Health Foundation	63	40	302-235-2329	302-235-5555
The Produce Marketing Association	55	36	302-738-7100	302-731-2409
The Produce Marketing Association	89	37	302-738-7100	302-731-2409
Pure Hothouse Foods, Inc.	29	7	519-326-8444	519-326-7960
Red Blossom Farms, Inc.	24	45	805-981-1839	805-693-0032
Rosemont Farms Corporation	57	78	877-877-8017	561-999-0241
Rosemont Farms Corporation	5	42	877-877-8017	561-999-0241
Sage Fruit	45	69	913-967-9307	913-239-0055
The Sample Dome	27	43	800-596-3676	403-936-5868
Shannon Vineyards	30	70	912-857-3876	305-675-3876
Spice World, Inc.	30	46	800-433-4979	407-857-7171
Sunlight Int'l. Sales	21	60	661-792-6360	661-792-6529
Tennessee Dept. of Agriculture	22	51	615-837-5517	615-837-5194
Turbana Banana Corp	50-51	8	800-TURBANA	305-443-8908
Uncle Matt's Organic	39	71	866-626-4613	352-394-1003
United Fresh Fruit and Vegetable Association	87	9	202-303-3400	202-303-3433
Well-Pict Berries	69	72	831-722-3871	831-722-6340
Weyerhauser Paper Co.	33	61	800-TOP-BOXES	
Yakima Fresh LLC	41	57	800-541-0394	847-685-0474
Kurt Zuhlke & Association	32	28	800-644-8729	610-588-6245



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